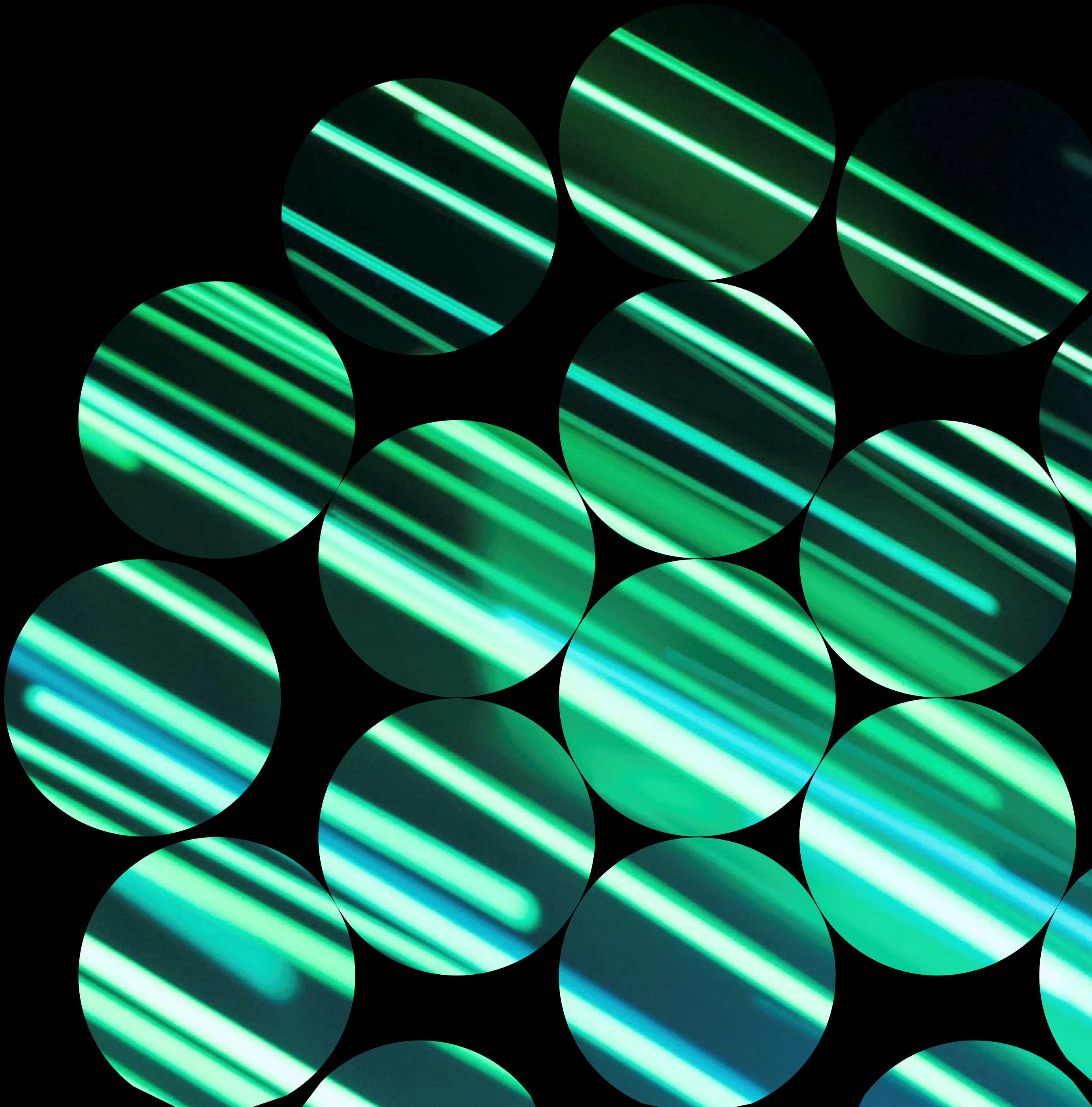
Prysmian Group

CAPITAL MARKETS DAY 2023



5th OCTOBER, 2023

Prysmian Group | CAPITAL MARKETS DAY 2023

Connecting the world to tomorrow

Welcome

Maria Cristina Bifulco

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Connecting to

Our journey | **New frontiers** | **Our solutions** | **Impactful sustainability** | **Value creation** | **Our tomorrow**

Valerio Battista

Massimo Battaini

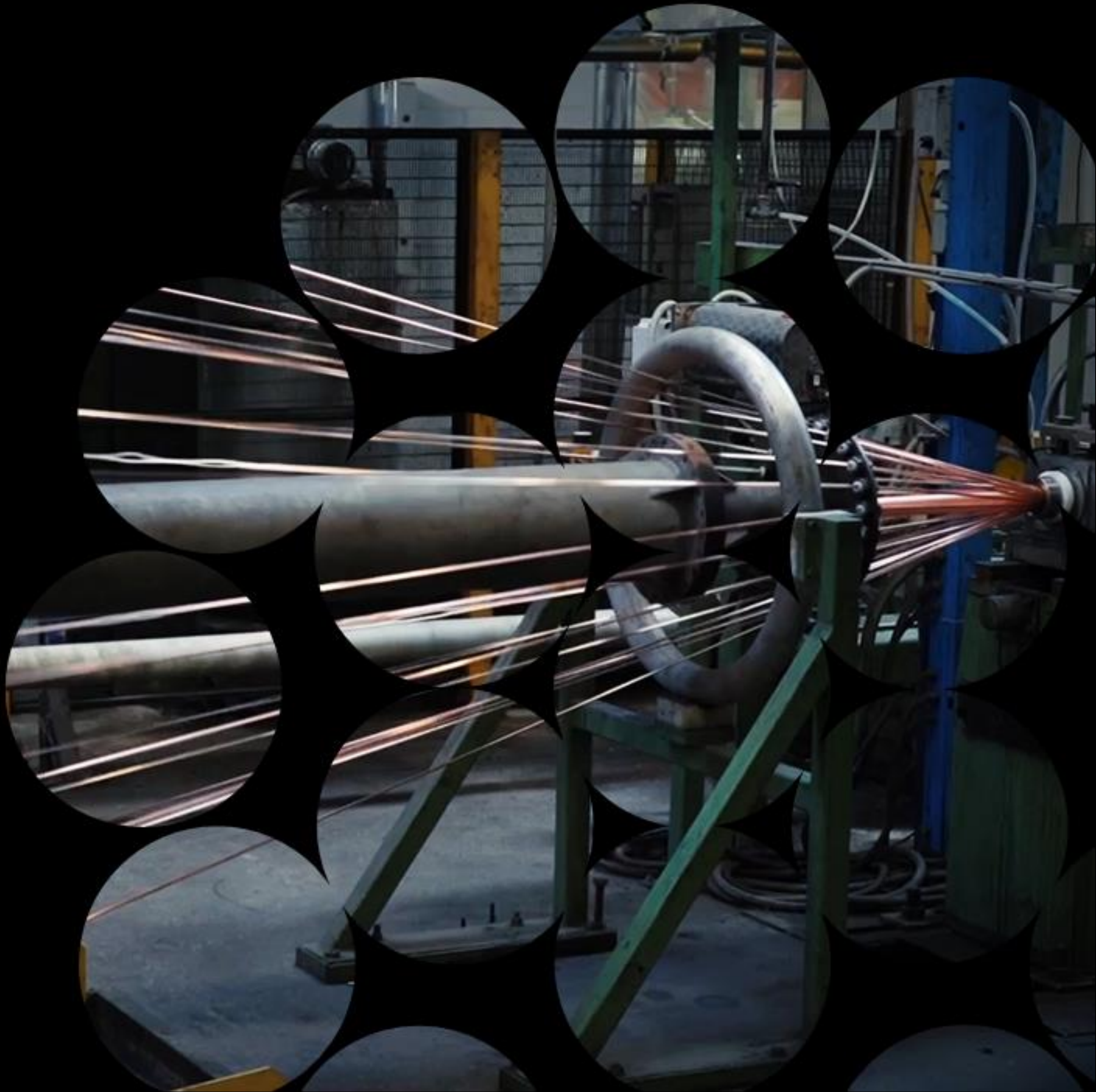
Maria Cristina Bifulco

Pier Francesco Facchini

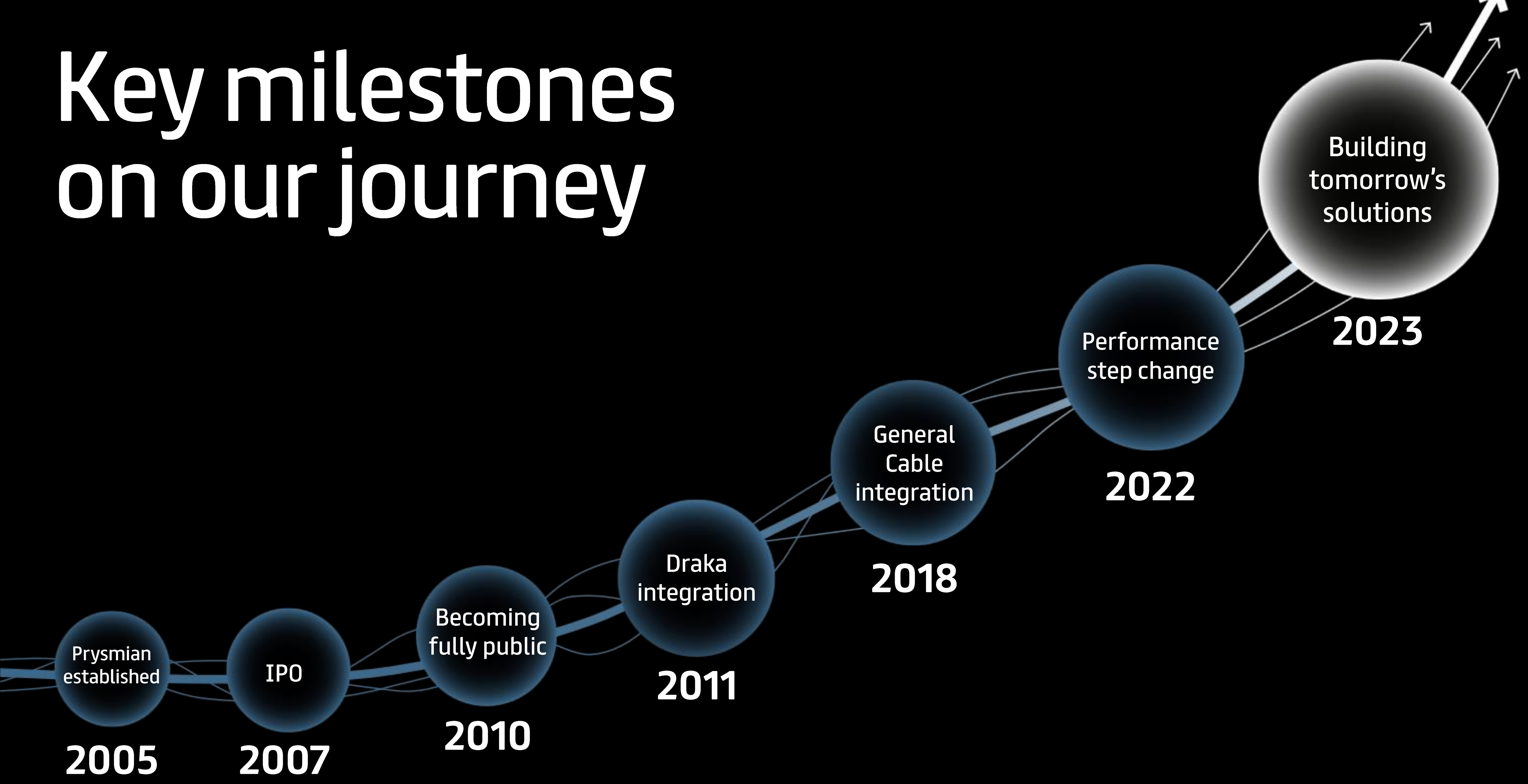
Massimo Battaini

Connecting to our journey

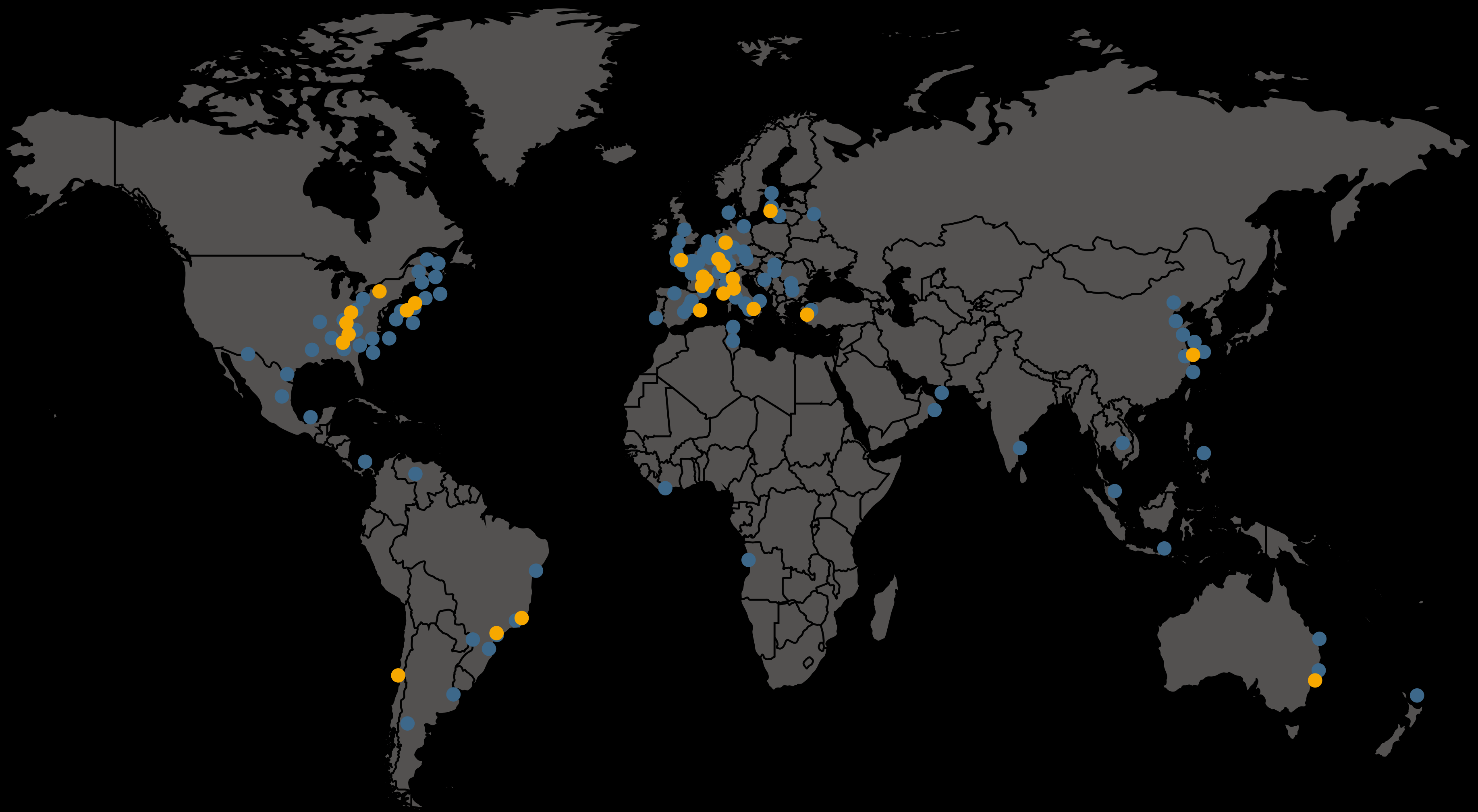
Valerio Battista



Key milestones on our journey

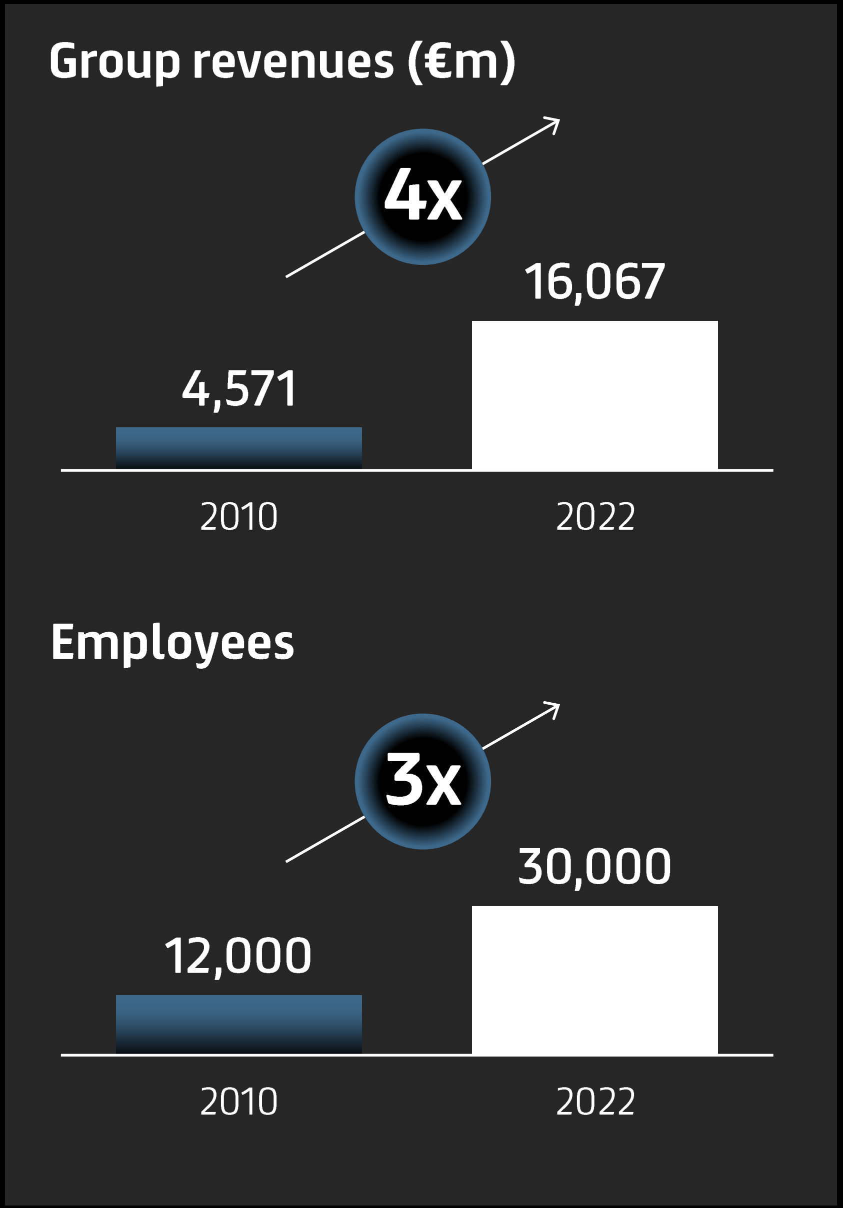


A company transformed over the last decade



Prysmian plants

R&D centers

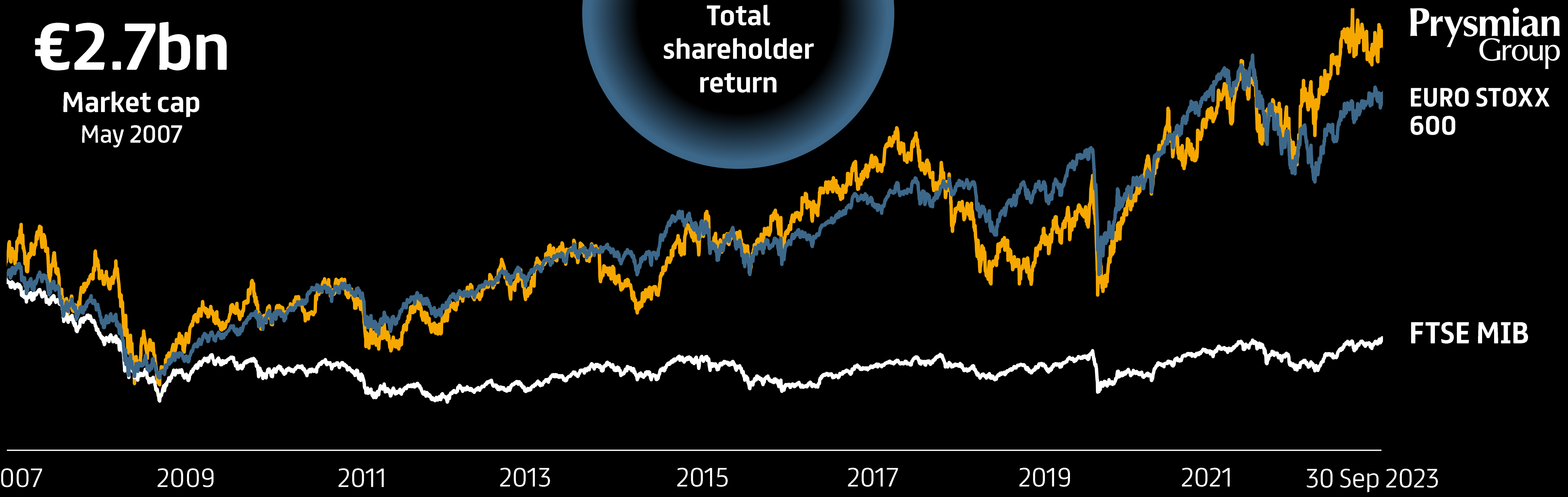


Significant value created since inception

€10.5bn
Market cap
30 Sep 2023

+253%
Total shareholder return

€2.7bn
Market cap
May 2007



Note: Daily closing prices indexed

Cables connect a more sustainable world

Connecting to new frontiers

Massimo Battaini

We are moving to a more **sustainable world** through the Energy Transition and Digital Transformation

Capitalizing on our leading positions

TODAY

Leading
cable player
grown through
market consolidation

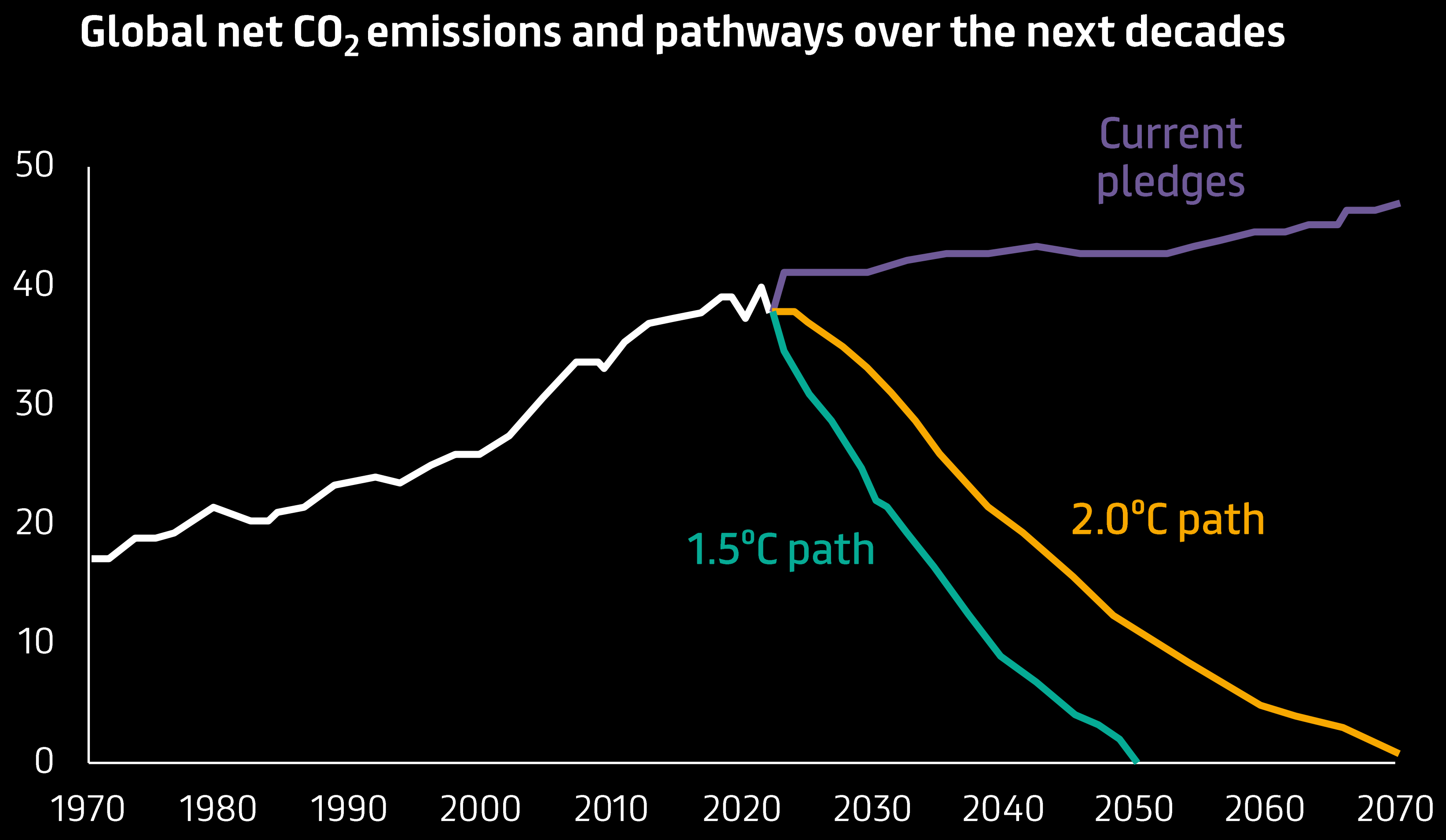
Connect, to lead

2027

Global
cabling solution provider
leading the energy transition
and digital transformation

Winning in new growth markets

We must reduce emissions to mitigate impact on the planet

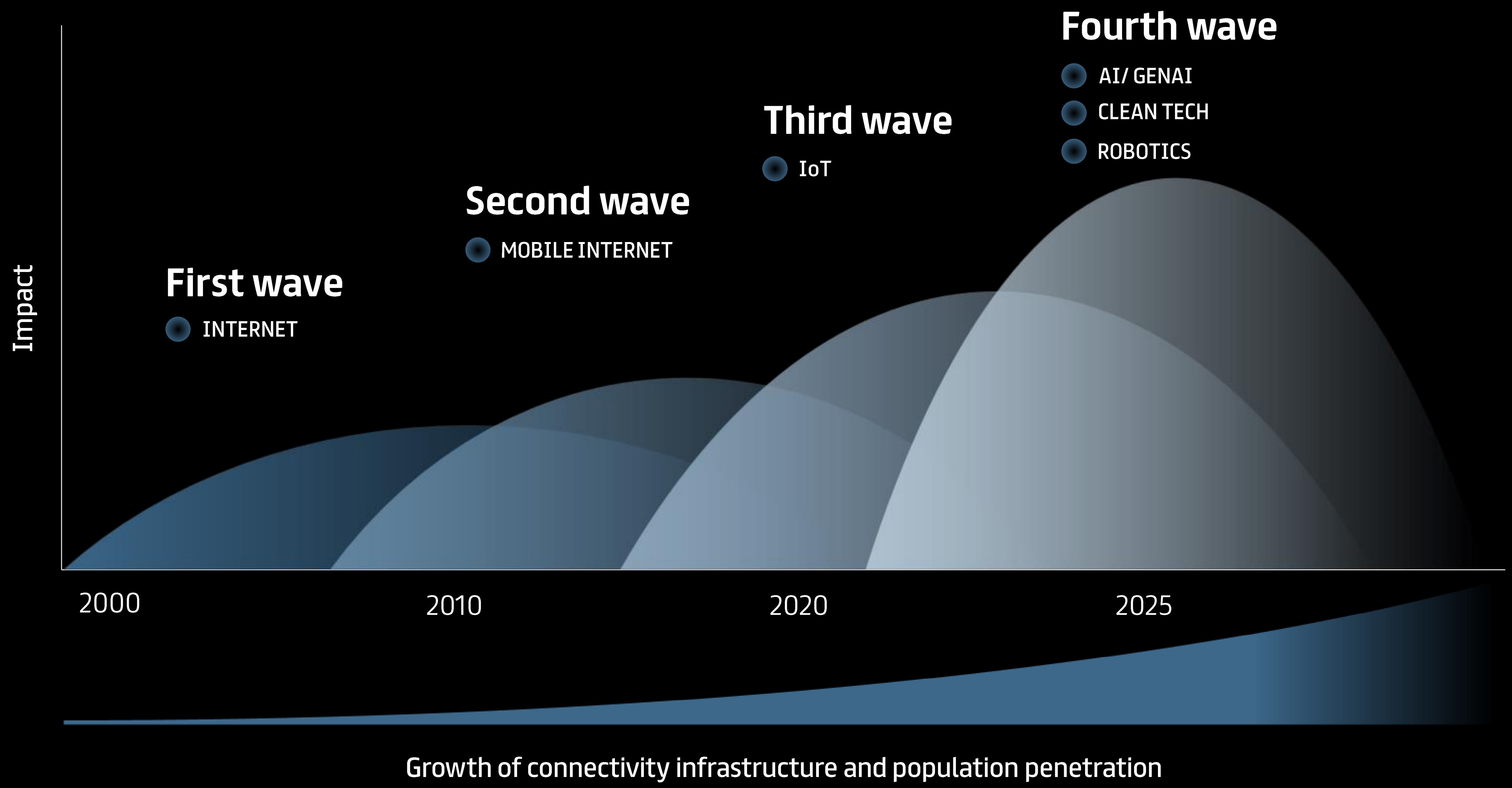


CO_2 emissions (giga tons)

75%

of global greenhouse gas emissions today are produced by the energy sector

We must embrace the digital revolution



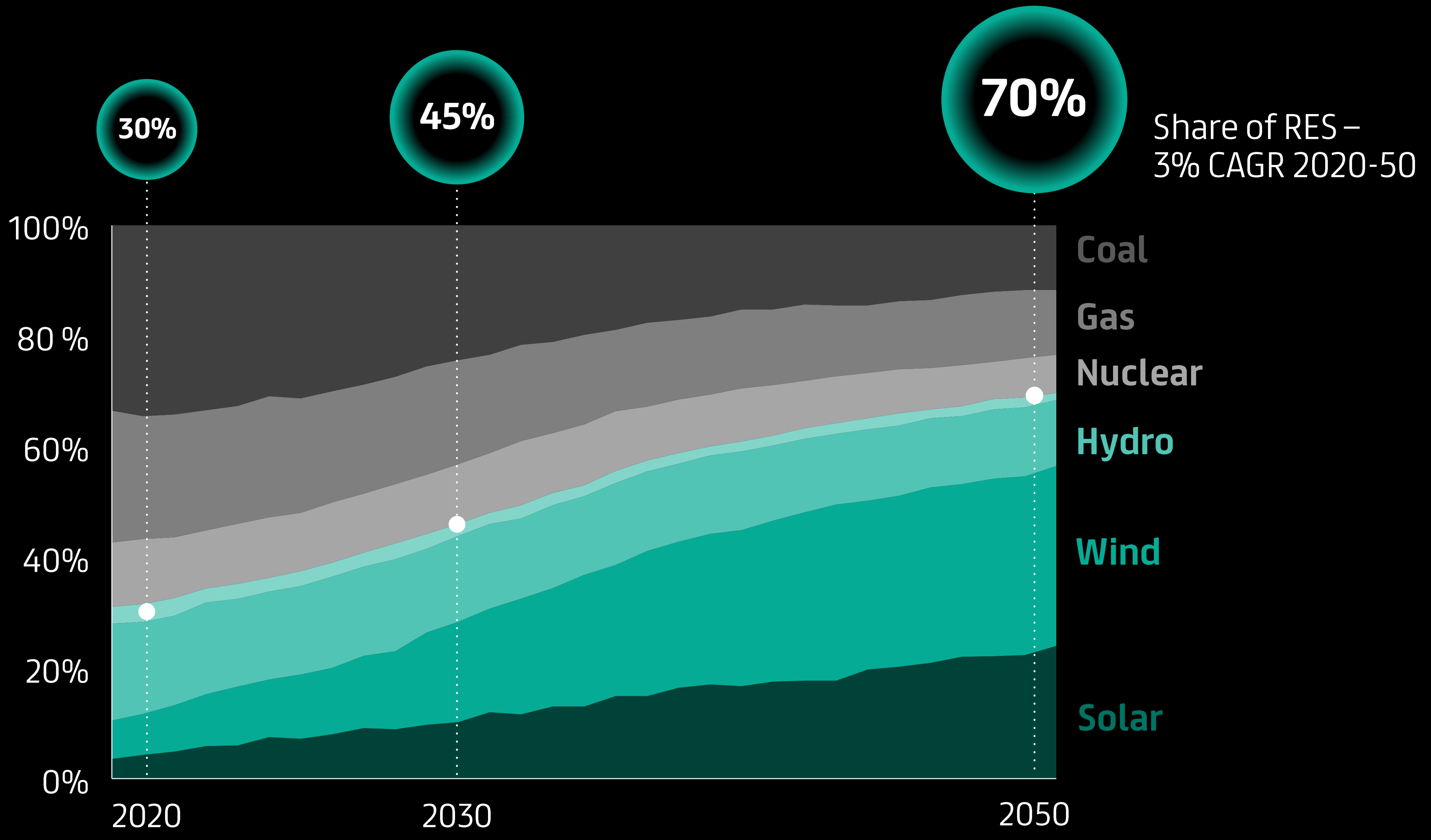
Structural trends boosting the cable market

Renewable energy generation	Electrical applications growth	Power grid enhancement	Digital transformation
4x	**1.5x**	**2x**	**2.5x**
Solar and wind capacity	Electricity consumption	Annual grid investments	Premises and towers fiberized

Note: comparing 2030 vs 2020

RENEWABLE ENERGY GENERATION

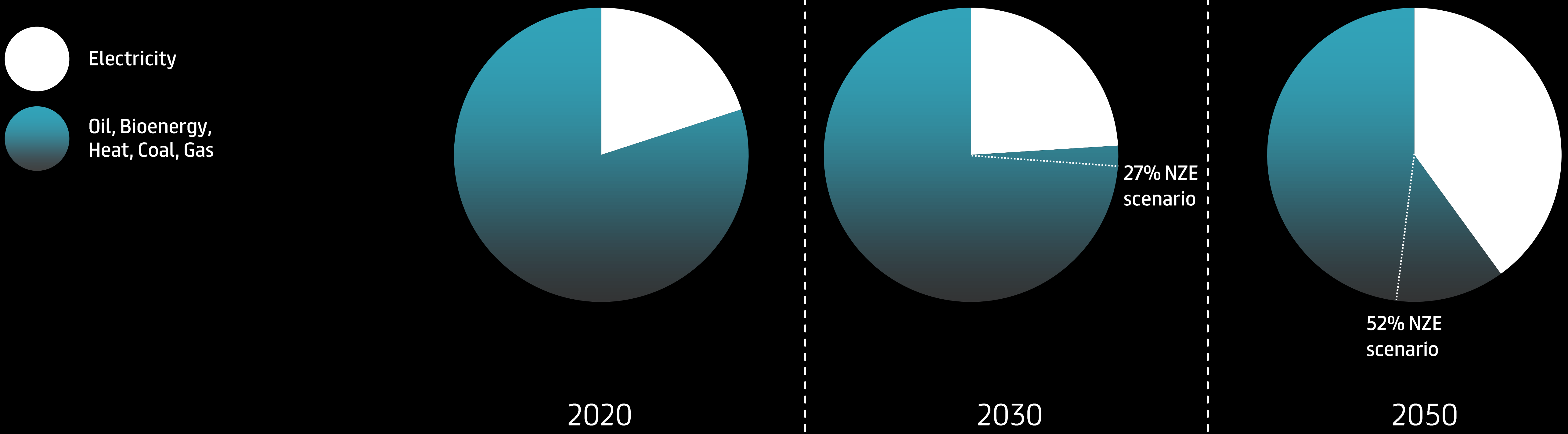
Renewable generation requires high-performing, sustainable and innovative cable solutions



25%
cost reduction in Solar and Wind energy generation by 2030 vs 2020

Electricity rise increases cable demand

Global energy mix by carrier[1]

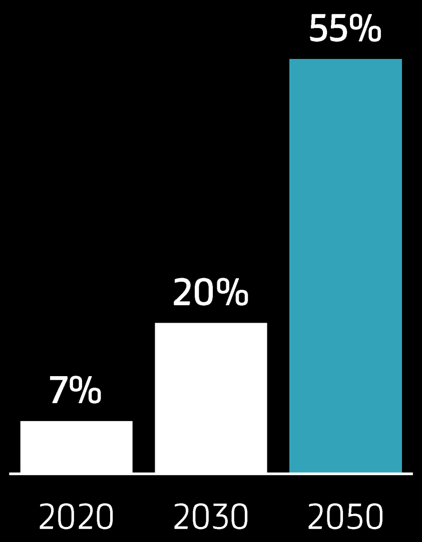


	2020	2030	2050
Total energy consumption	9.9	10.7	10.3

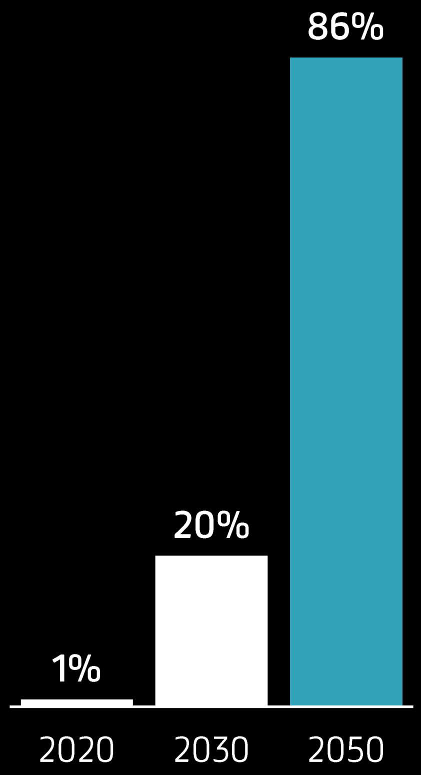
1. Billion tons of oil equivalents

Wide ranging electricity applications need broad cable offering

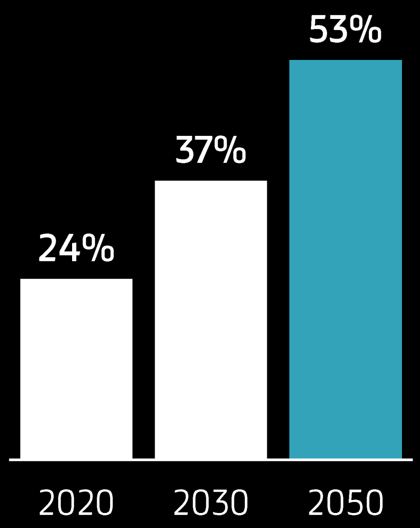
Heat pump penetration



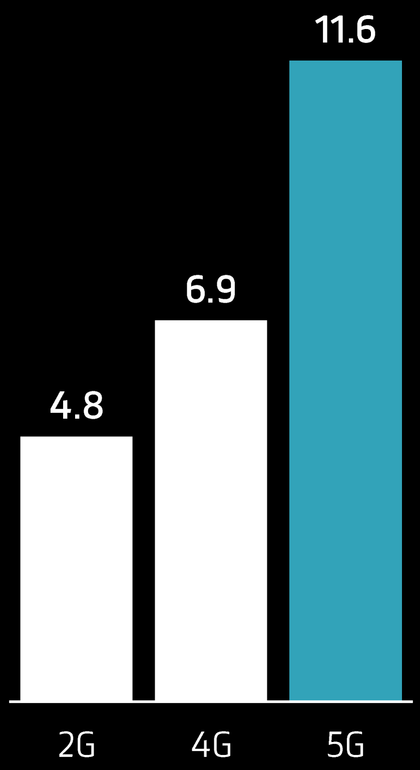
Share of electric cars



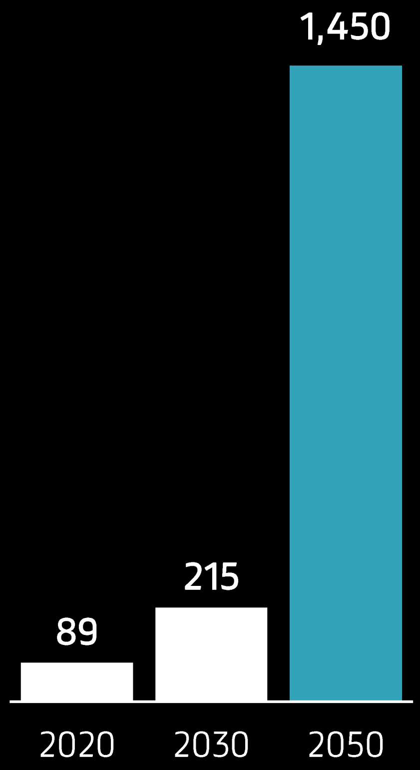
Share of electric steel production



Mobile tower consumption
(kW/antenna)



Data centers consumption
(GW)



Enhanced power grids need resilient cable solutions

Overhead lines

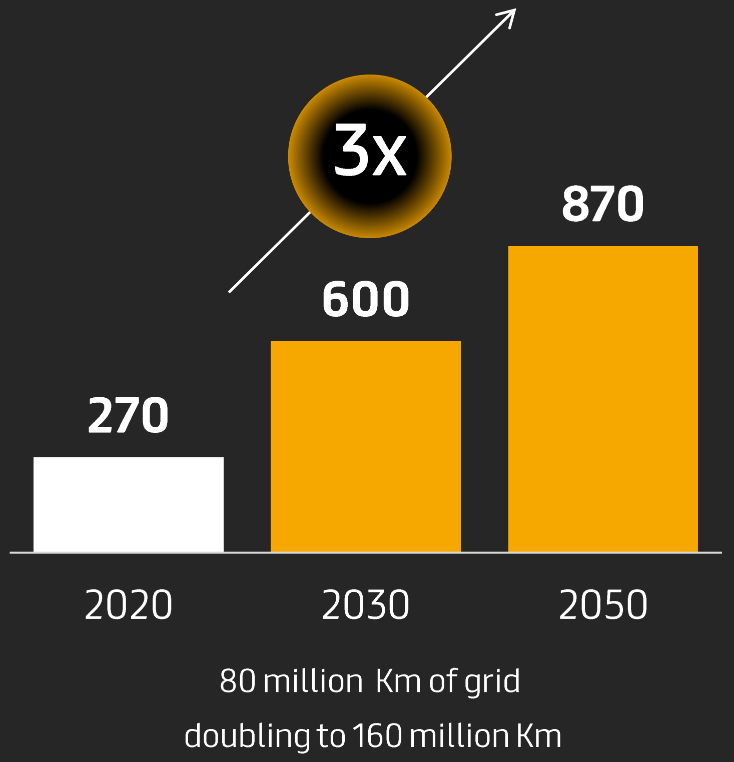
Underground cables

Network components

The energy transition requires a grid which:

- Manages electricity **demand increase**
- Absorbs demand **peaks**
- Ensures transmission of **decentralized and intermittted** electricity
- Enables **bidirectional** flow of energy

Global power grid annual investments ($bn)



Massive data growth boosting demand of premium data cable solutions

Increased data usage by people

10x

GB consumption per mobile user

4x

GB consumption per household

Increased number of new digital applications

2x

IoT devices

FTTH coverage to reach **80% of premises**

85% 5G coverage

$330bn[1] investment in **Data Centers**

1. $330bn cumulative value 2022-2030

Convergence of Energy and Digital

Digitalization
to increase
**submarine cables
monitoring**

Digitalization
to step-up
**power grid
monitoring**

Future of
mobility
enabled by **power
and data**

Energy
consumption
boosted by growth
in **data centers**

Strategic and visionary decisions underpin today's leading position

Market leadership

Technological pioneering

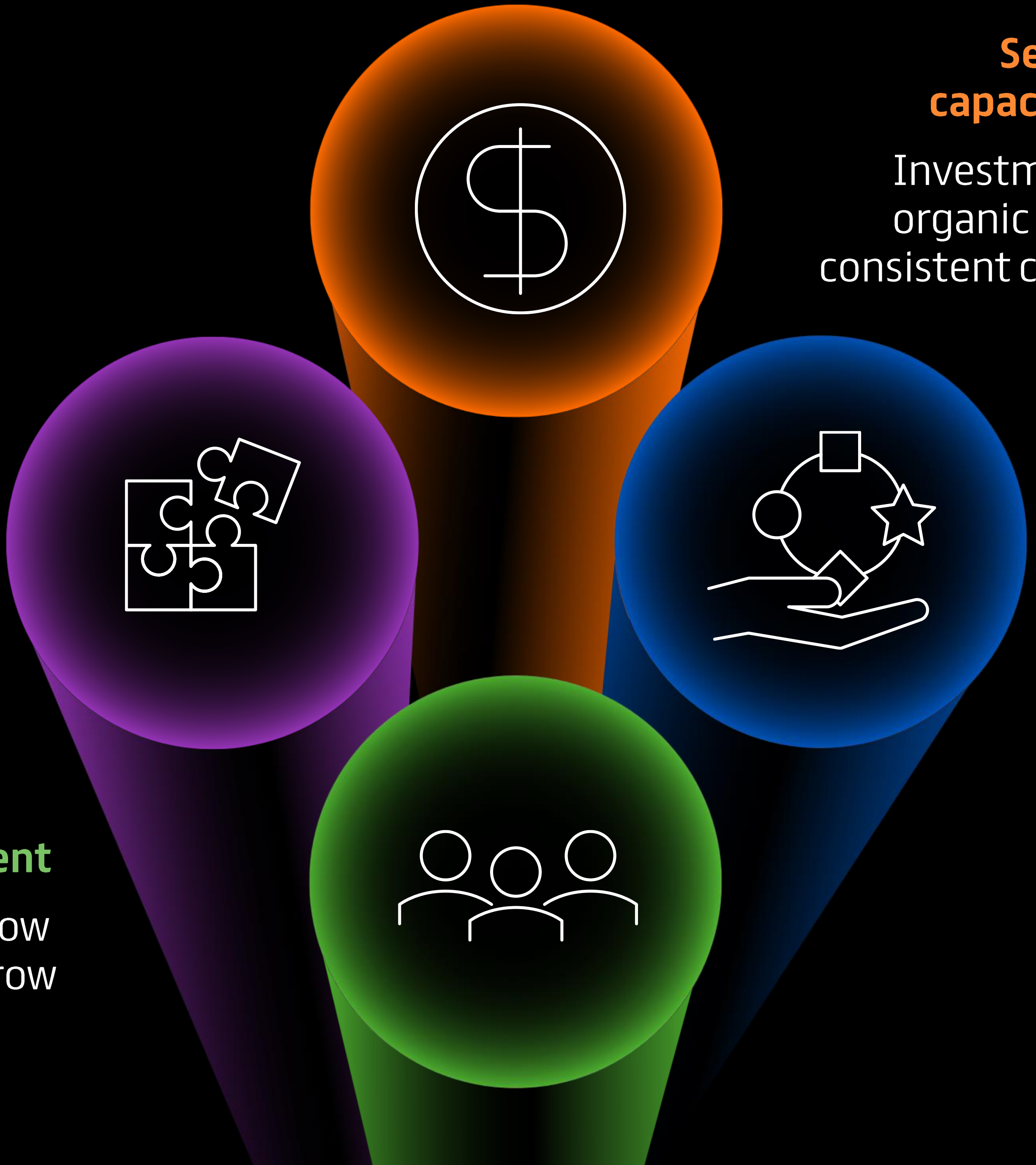
Client reach

Unique knowledge

M&A consolidation + Strategic internal choices

Connecting to our solutions

Connect, to lead: Four pillars at the heart of our strategy



Self-funded capacity expansion

Investments to support organic growth through consistent cash flow generation

Business segmentation

Segments redesigned to seize market trends and opportunities

Balanced and innovative portfolio

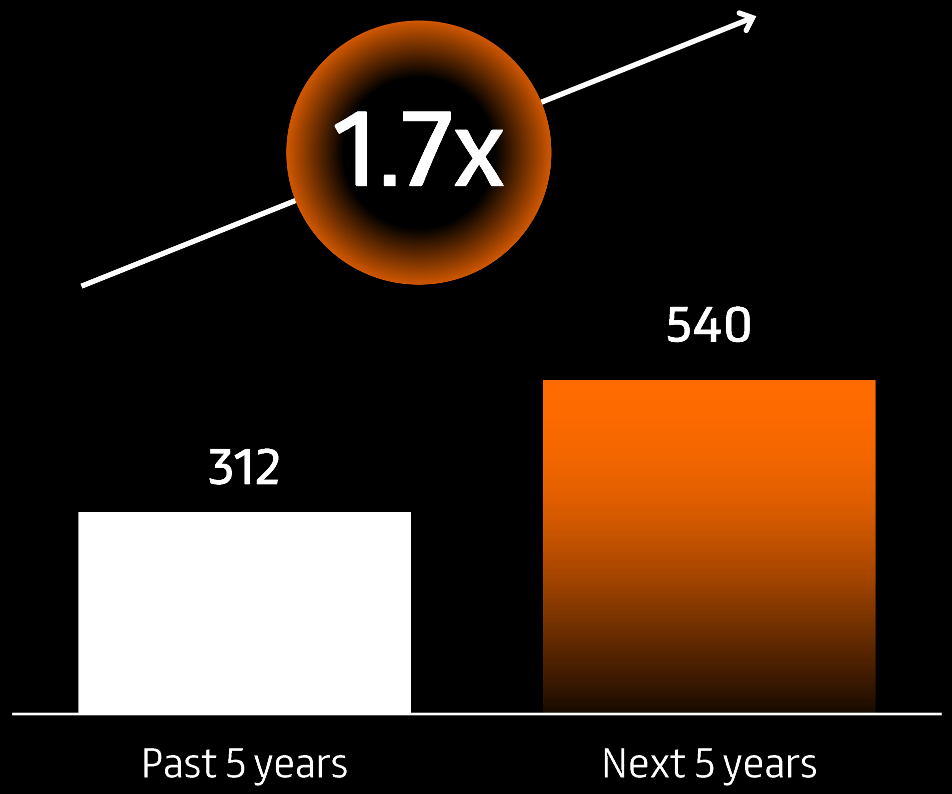
Balanced portfolio and continued innovation to support technological leadership and sustainability

People empowerment

Best people, know how and capabilities to grow the business

We selectively 'double down' on capacity expansion

Yearly average capex (€m)



- Submarine cables plant expansion in Europe and North America
- New state-of-the-art cable laying-vessels
- Geographically selective Medium-Low Voltage plant expansion
- Fibers and optical plant expansion

Capturing market trends

Renewable energy generation

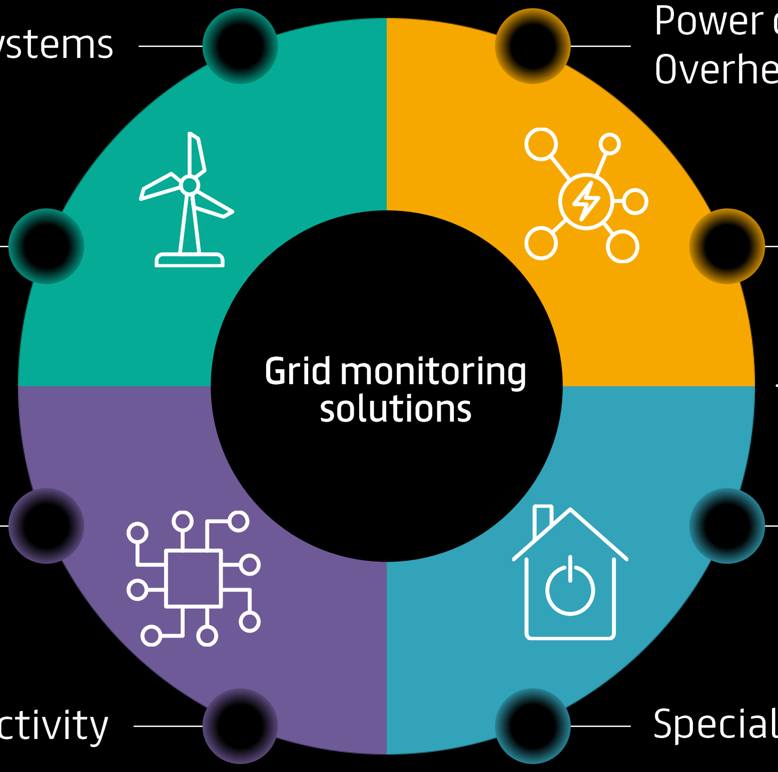
Submarine systems

High Voltage DC systems

Power grid enhancement

Power distribution,
Overhead lines

High Voltage AC systems



Communication cables

Optical cables and connectivity

Industrial & Construction

Specialties

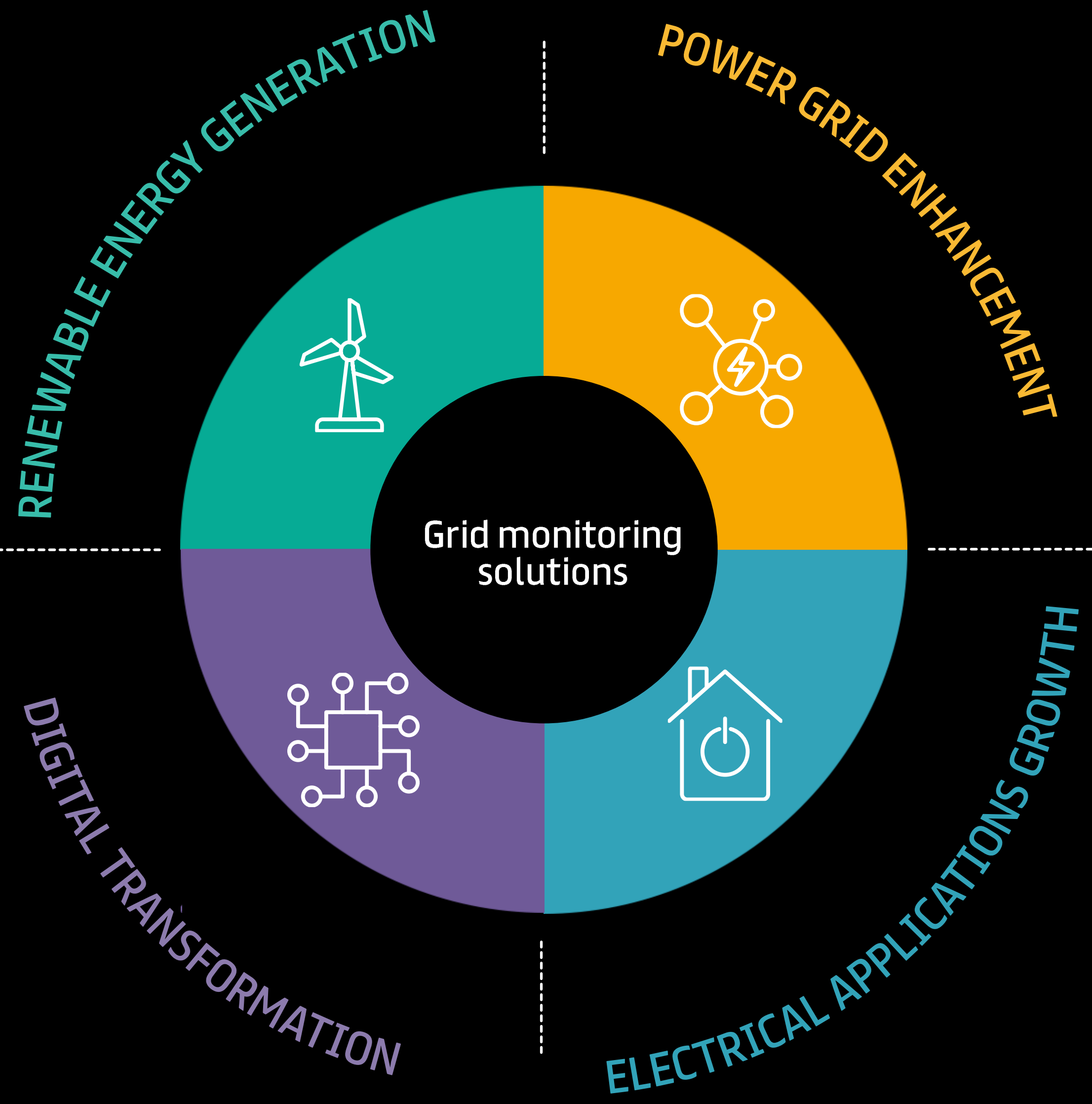
Digital transformation

Electrical applications growth

Deploying cutting-edge technologies

525 kV P-Laser HVDC
interconnectors

E3X technology
for OHL
power enhancement



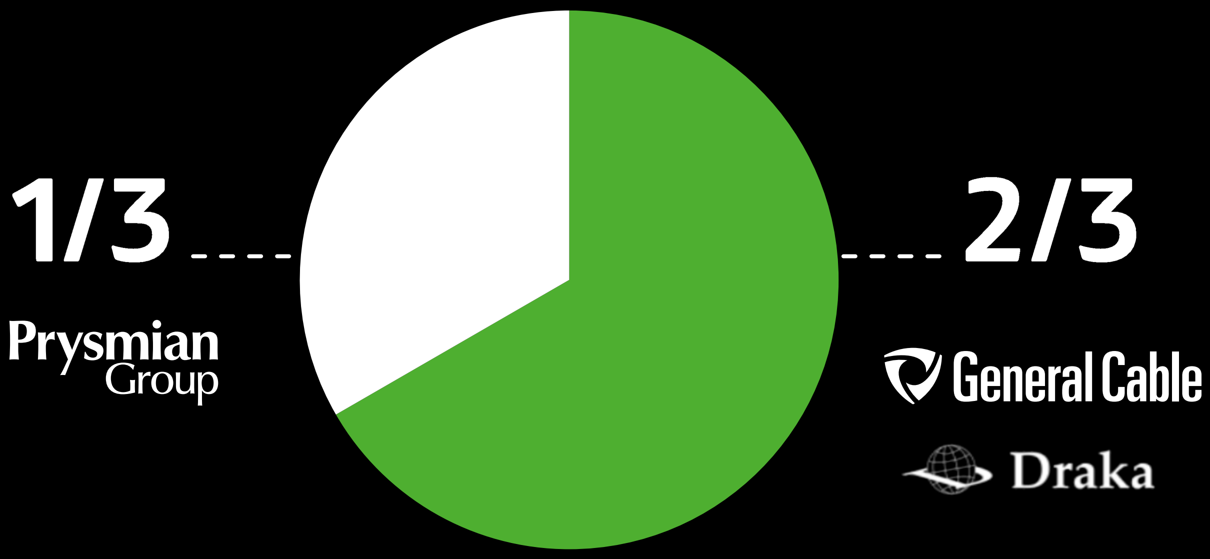
Sirocco,
the first 180µm
fibre cable

PRYSOLAR,
innovative PV cable

PRY-CAM, technology for
advanced monitoring

Best people and practices

Inclusive M&A



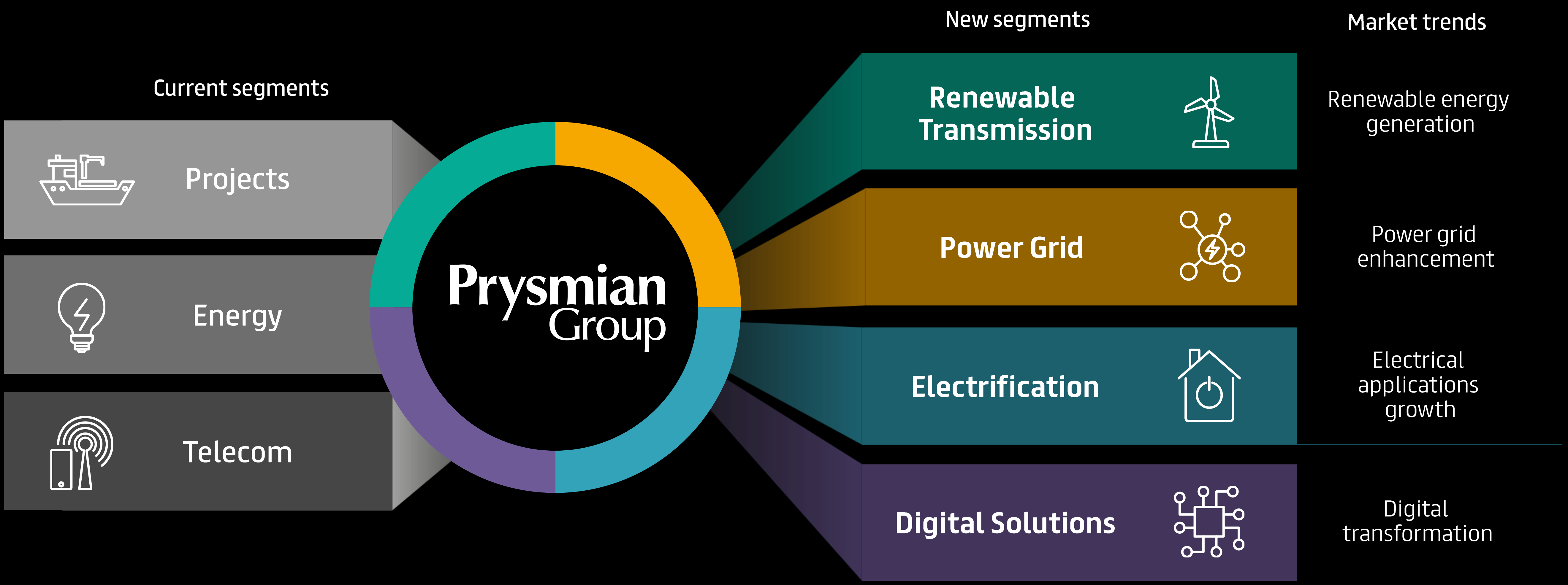
Developing our people

2x Professionals in key areas

1.5x New talent acquisition

1,500+ Promotions to new roles

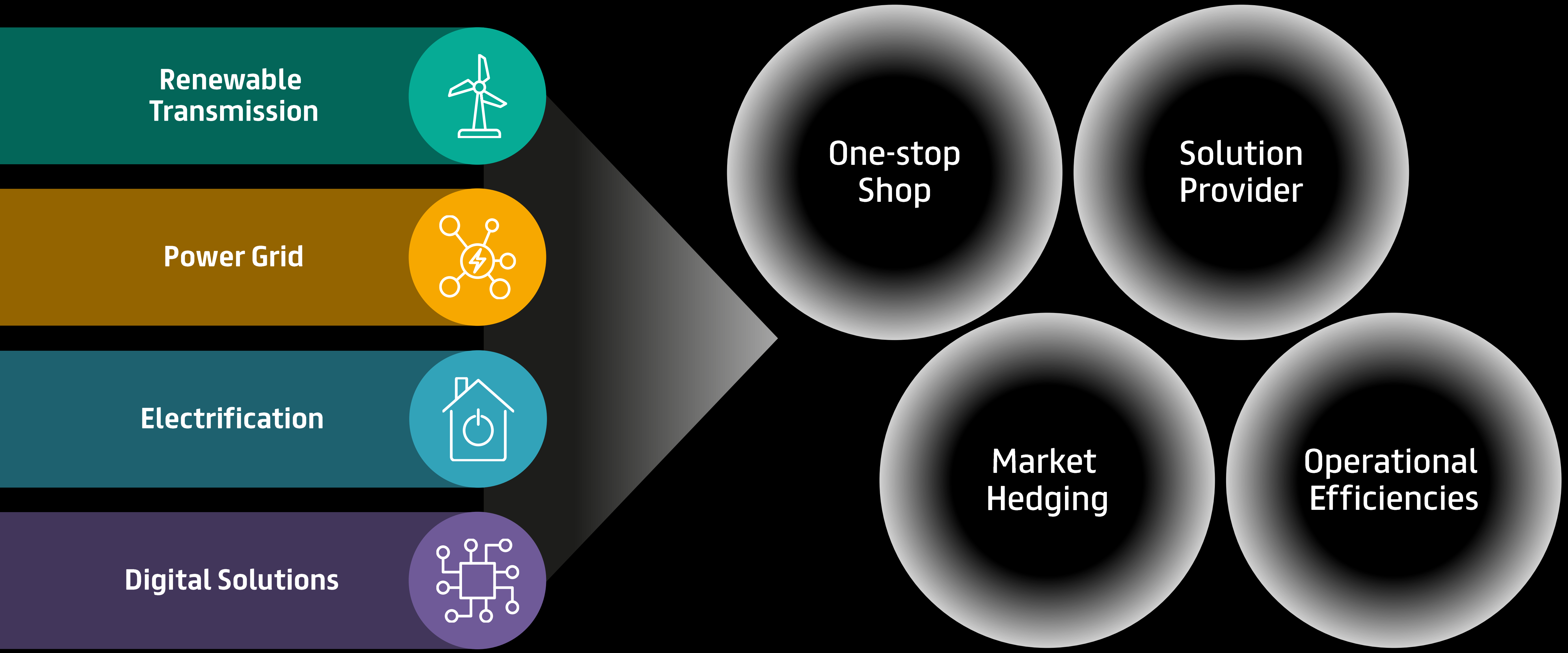
New segments to match markets trends and drive leadership position



A new streamlined segmentation

Current segments	Business units	New segments
Projects	Submarine Power, Land HVDC	Renewable Transmission
	HVAC	Power Grid
Energy	Power Distribution and Overhead Lines	
	Industrial & Construction (former Trade & Installer) Specialties (formerly in Industrial & NWC)	Electrification
Telecom	Fibers and Optical Cables, Connectivity, Multimedia & Inside Plant cables (MMS)	Digital Solutions

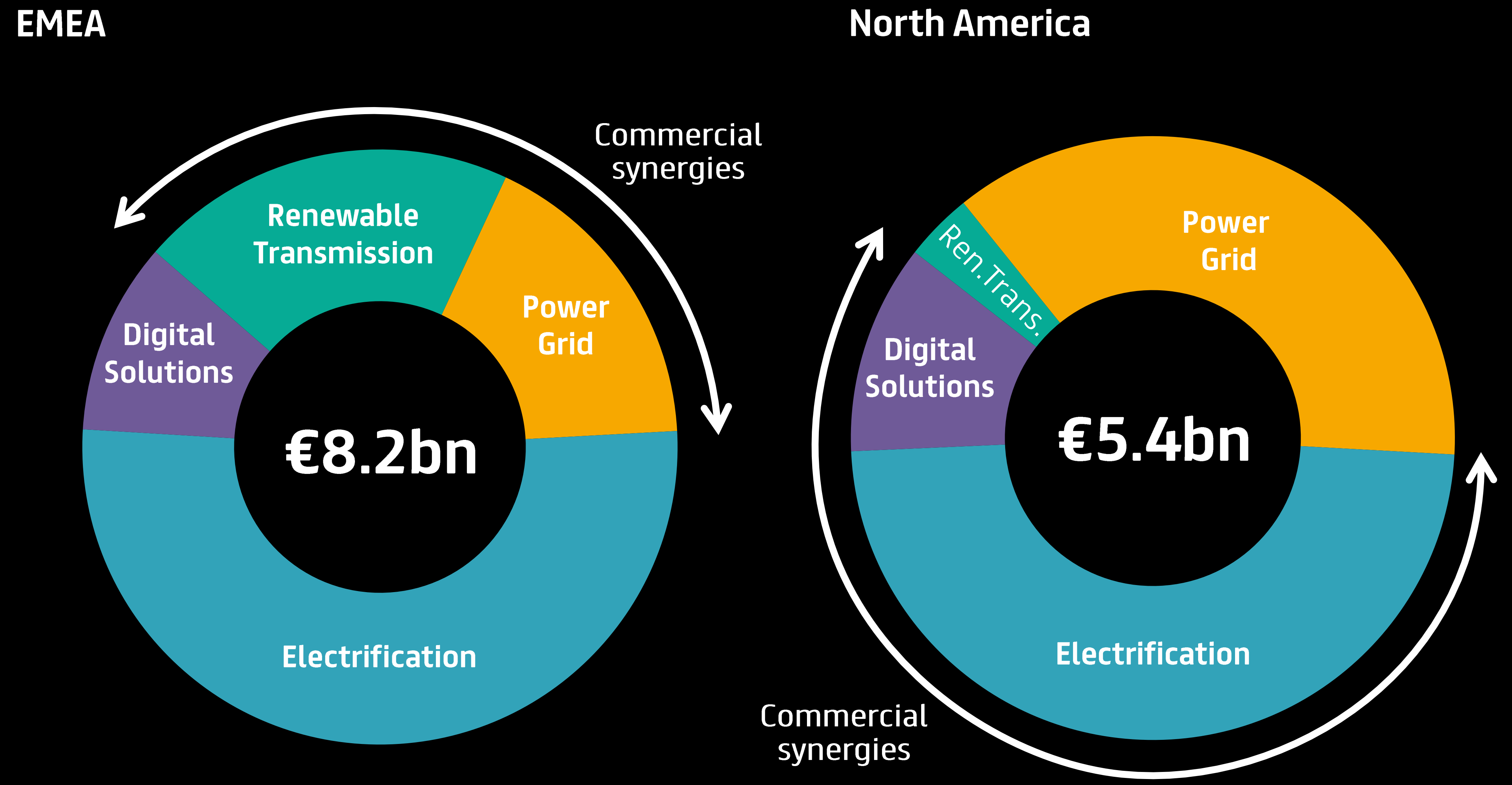
Synergies across segments unlock value



Unique and synergic product portfolio makes our growth sustainable

Sales by Geographies and Segments (2022)

- Renewable Transmission
- Power Grid
- Electrification
- Digital Solutions



Renewable Transmission

Lead global green connections

We lead renewable transmission through innovative cabling solutions

BUs	Submarine Power	Land HVDC
Markets served	Wind Offshore and Submarine Interconnectors	Land Interconnectors

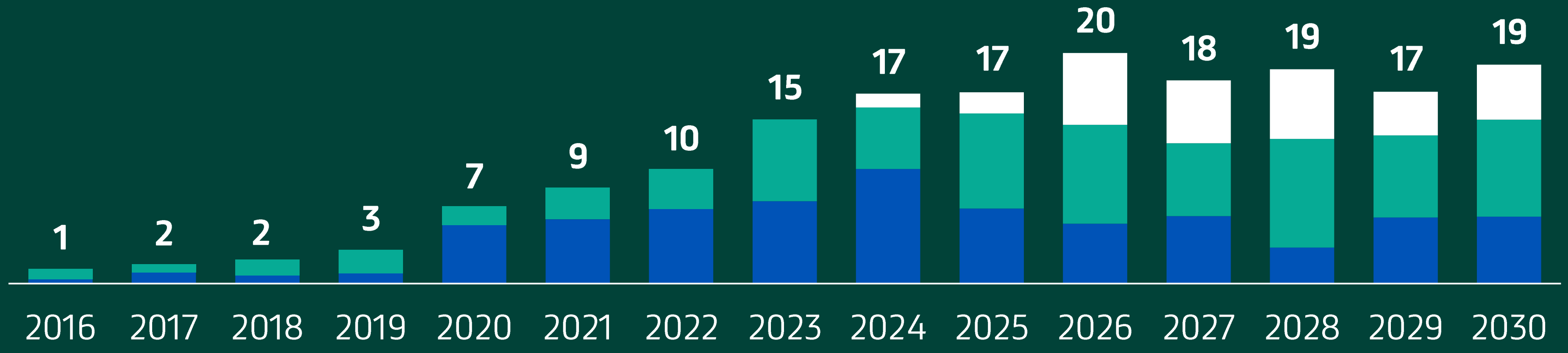
Smart Grid device and monitoring

Market value (€bn)

Frame Agreements

Wind Offshore

Interconnectors



Note: Wind Offshore and Interconnectors distribution based on order award year, Frame Agreements distribution based on production start year

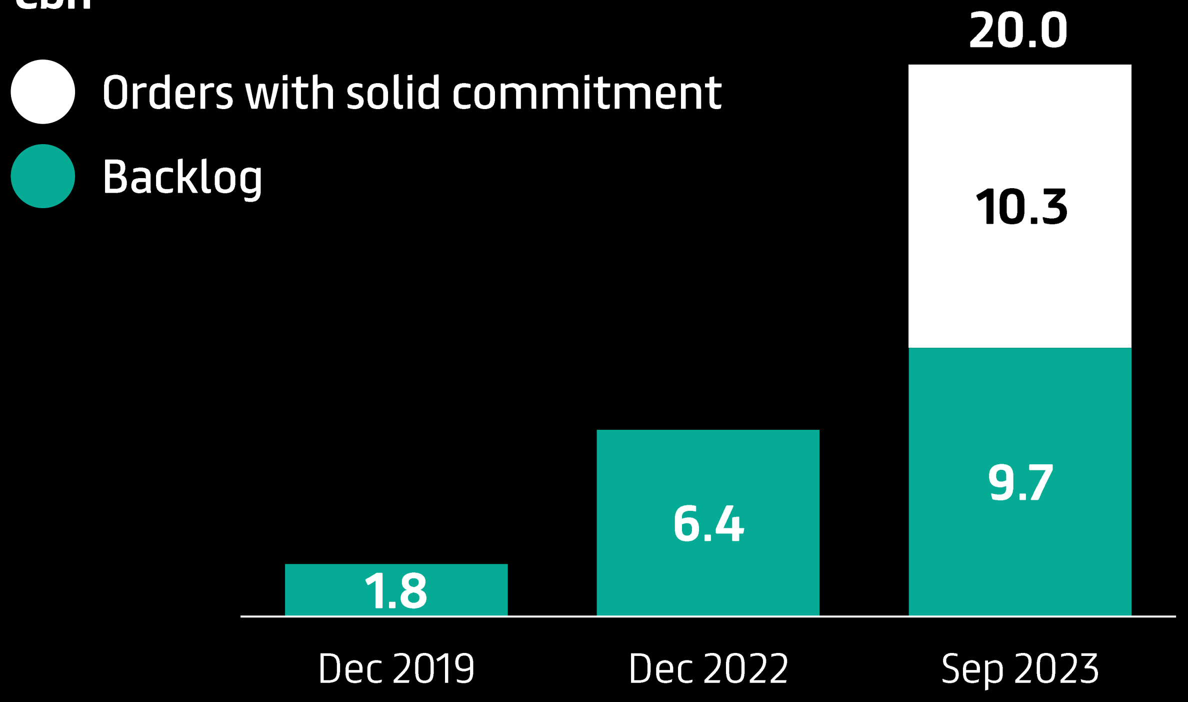
Connect, to lead in Renewable Transmission

- Continue leading through innovation
- Execute €20bn of order portfolio
- Leverage operational excellence and consistent track record
- Step change in capacity, investing €1.8bn

€600m EBITDA in 2027

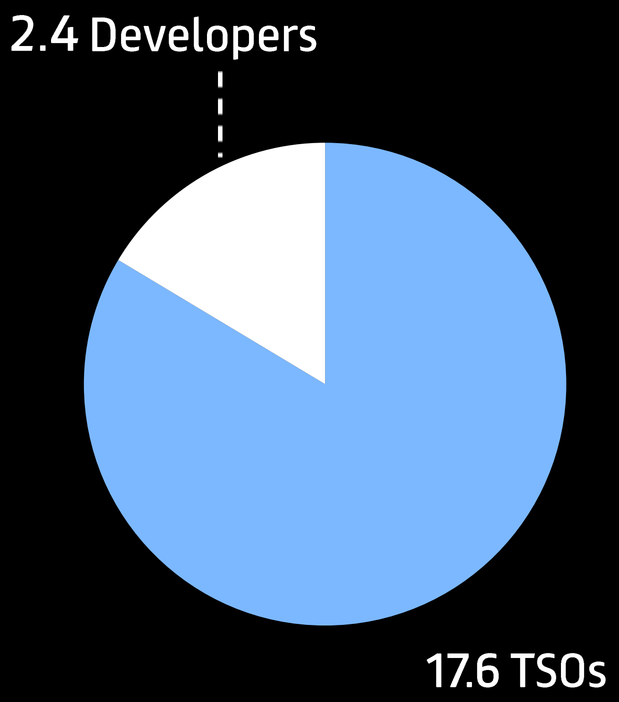
Solid order portfolio providing long term visibility

€bn

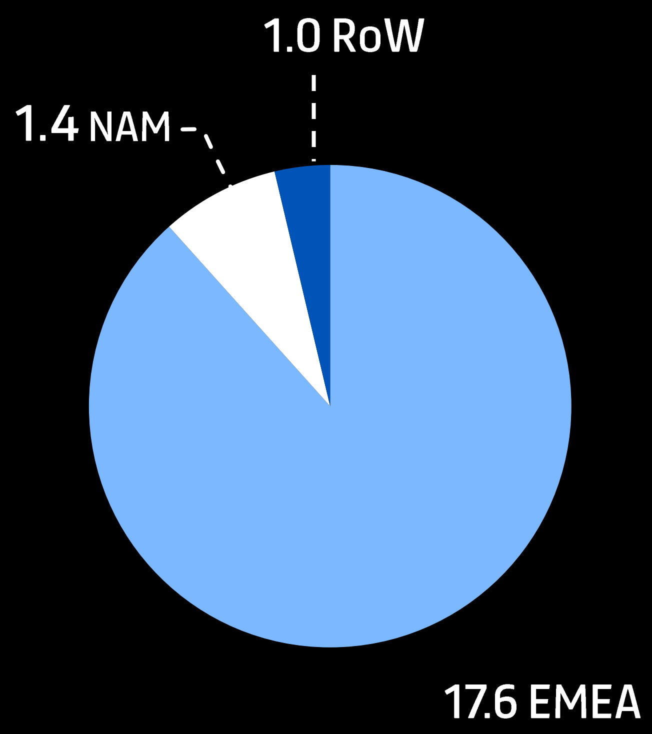


Sales €bn	1.1	1.6	2.0

Split by Customer type



Split by Geography



Note: Sales value of orders with high likelihood of entering into execution phase (and/or of receiving the notice to proceed) within the timeline of the 5YP, in consideration of the fact that: they are backed by a material capacity reservation fee, or by any other kind of solid mutual agreement, or Prysmian has been selected as preferred bidder and no major condition precedent is yet to be fulfilled

Power Grid

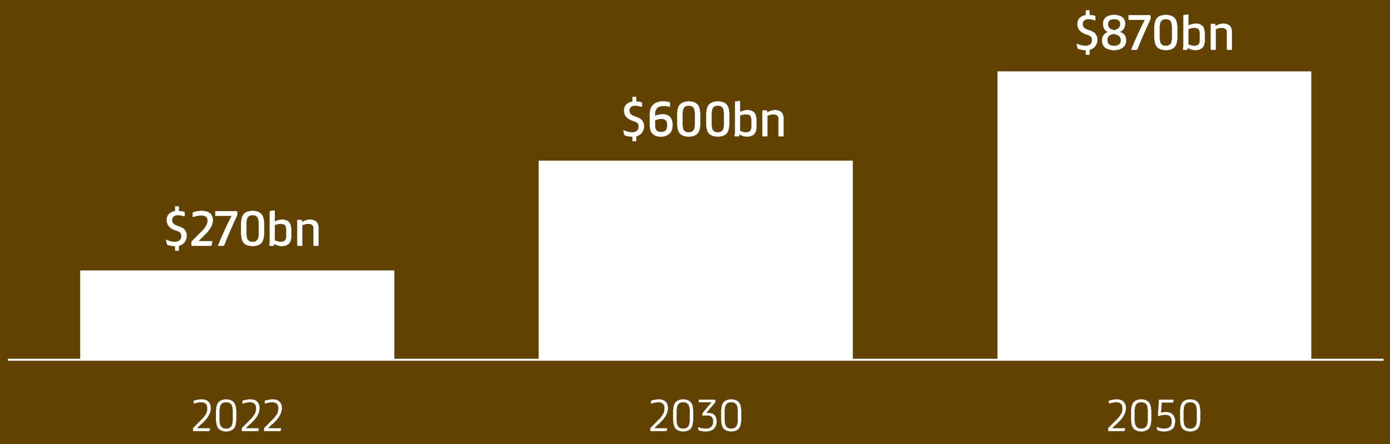
Empower grid enhancement

We support the power grid upgrade with our innovative technologies

BUs	HVAC	Power Distribution and OHL
Markets served	High Voltage cables 	Low and Medium Voltage cables 
	Smart Grid device and monitoring	

Market driver

Annual grid capex



Note: OHL= Over Head Lines

Connect, to lead in Power Grid

- Innovate towards resilience and sustainability
- Leverage long lasting customer relationships
- Boost value-added products and services
- Selectively expand capacity

€410m EBITDA in 2027

Electrification

Electrify all industries with a diversified offering

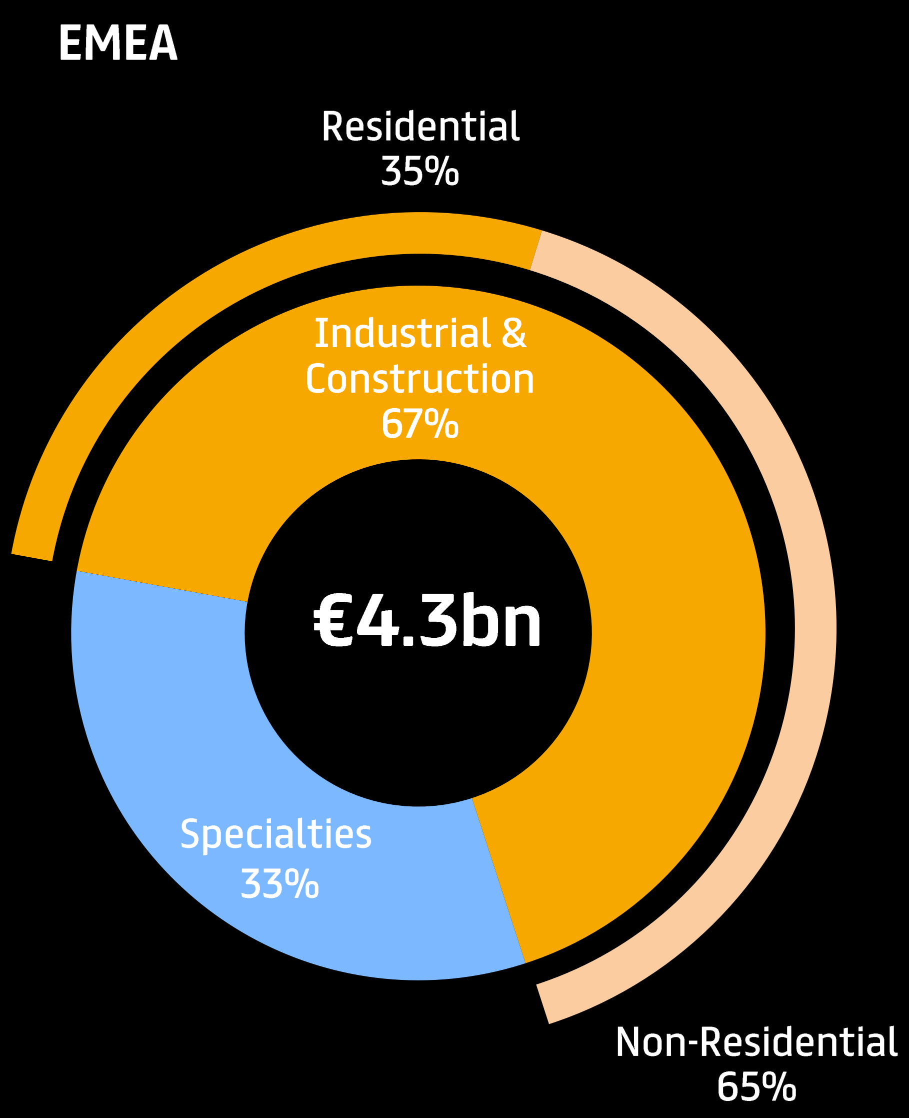
Broad cable offering to meet rising electricity demands

BUs	Industrial & Construction (former T&I)		Specialties (formerly in Industrial & NWC)	
Markets served	Industrial, Construction and Data Centers 		Renewables and OEMs 	
Market drivers	Production reshoring	$4.6tn	Renewable equipment capacity	4x
	Heat pumps for heating	2.5x	EV charging points	15x
	Share of electric steel production	1.5x	Rail traffic	+55%
	Data center energy consumption	2.5x	5G hybrid cables	4x

Note: Comparing 2030 vs 2020

Electrification split in EMEA and North America

Electrification sales breakdown by market (2022)



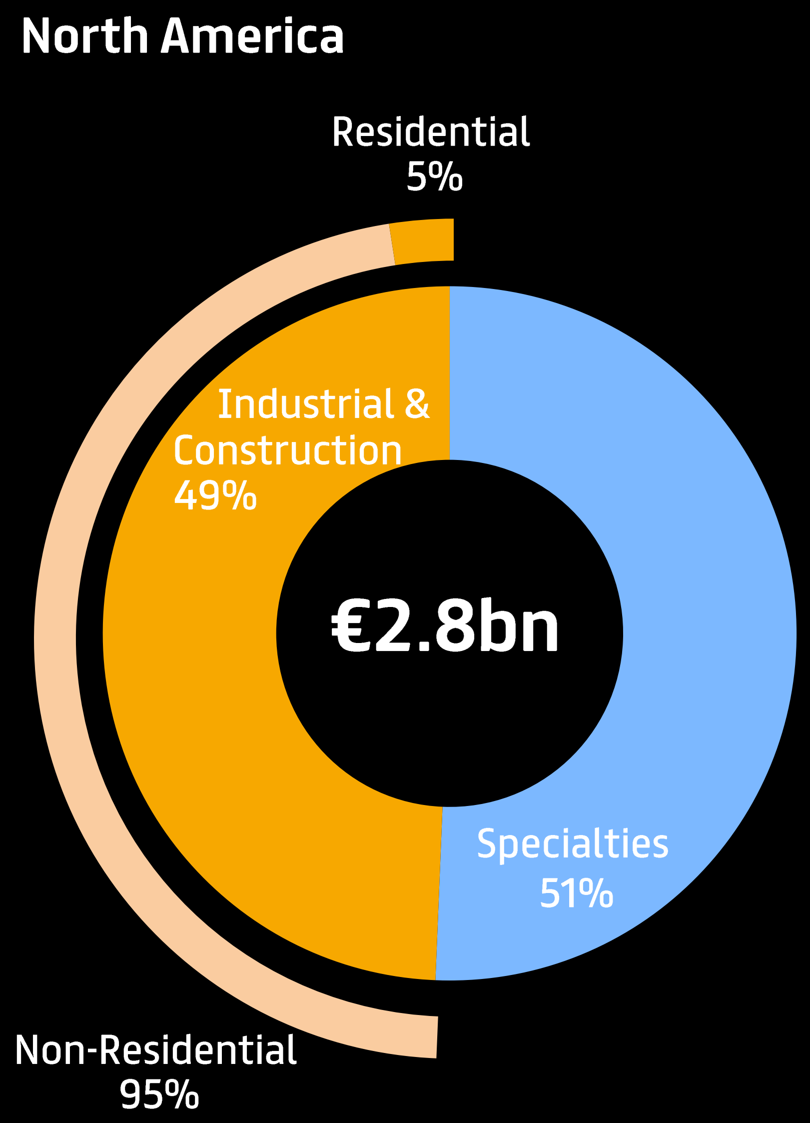
Industrial & Construction
Non-Residential
driven by key trends

Data centers

Industrial, reshoring

Commercial, Institutional
& infrastructure

Renewables



Connect, to lead in Electrification

Leverage our global scale and breadth of portfolio

'Double down' on future-proof sustainable solutions

Continue co-developing solutions tailored to customers needs

Capitalize on scale distributor relationships to capture large projects

€700m EBITDA in 2027

Digital Solutions

Bridge the digital divide with premium data solutions

We enable digital transformation with premium data cables

BUs

Fibers & Optical Cables and Connectivity

MMS

Markets served

Fixed networks

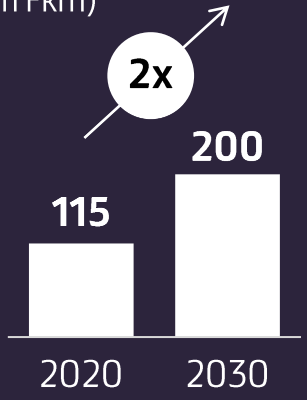
Mobile networks

Data centers

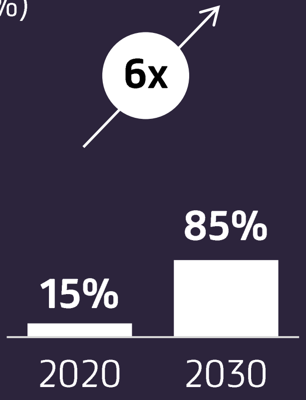
IoT

Market drivers

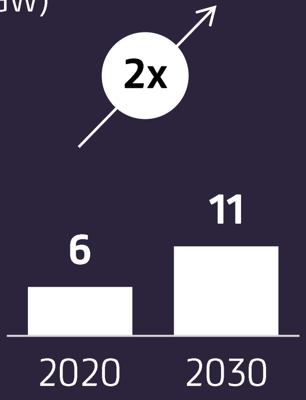
Annual global demand
(m Fkm)



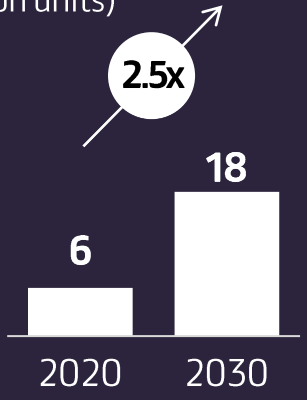
5G coverage
(%)



Installed capacity
(GW)

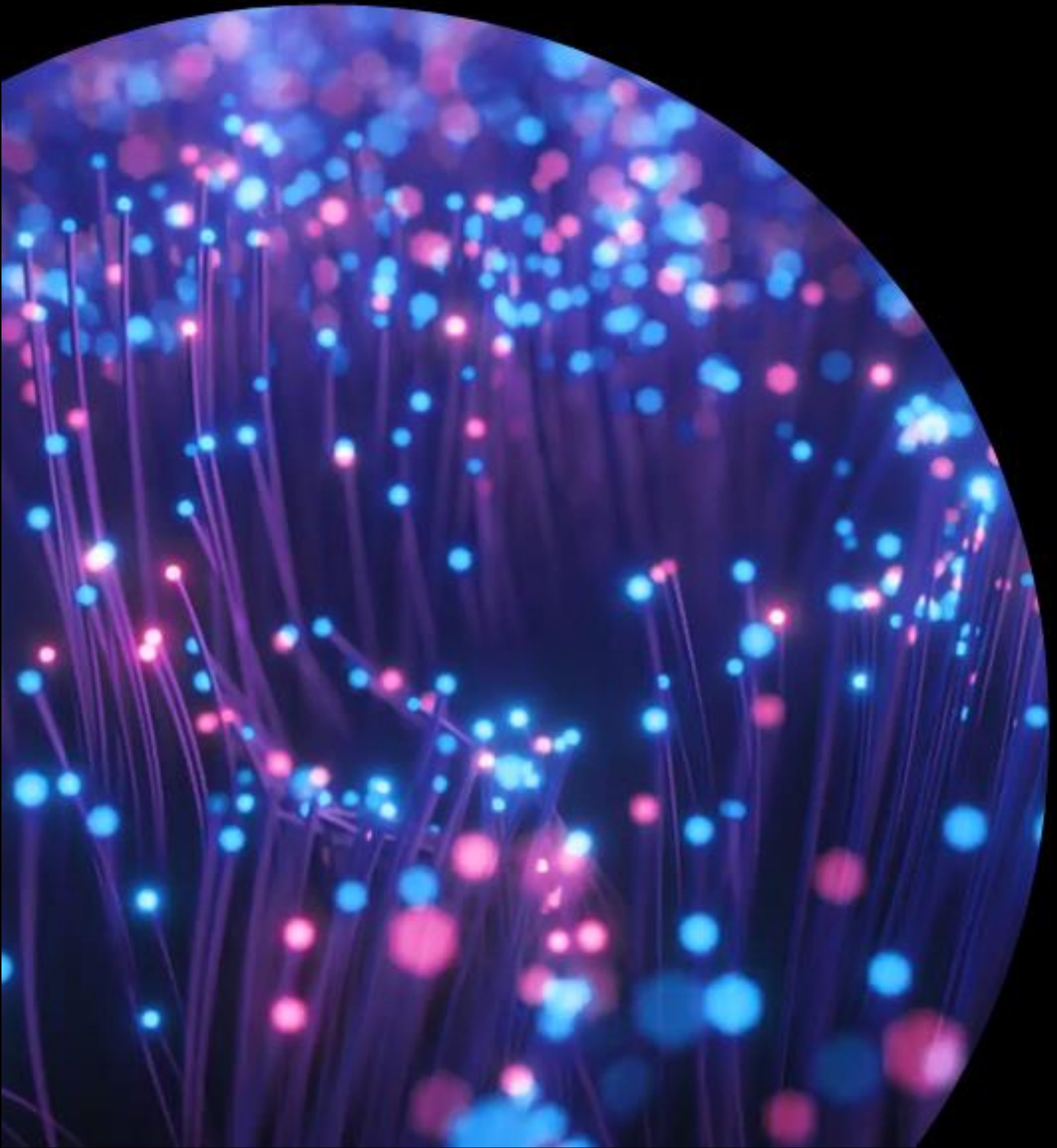


IoT devices installed
(bn units)



Note: MMS = Multimedia & Inside Plant cables

Connect, to lead in Digital Solutions



- Continue leading through premium fiber solutions
- Specialize in solutions for Data Centers, AI and IoT
- Leverage position as a one-stop shop
- Strengthen relationships with new entrants (Data Centers, IoT)

€290m EBITDA in 2027

Connect, to lead

2022
€1.49bn
EBITDA

2027
~€2bn
EBITDA

Connecting to impactful sustainability

Maria Cristina Bifulco

Our sustainability journey rooted in the past

Key innovations with sustainable impact

2006
World first fully recyclable insulation for MV cables
MV P-Laser

2014
First sustainability report

2018
Inclusion of ESG in remuneration
Optical cable FlexRibbon 6912 fibers

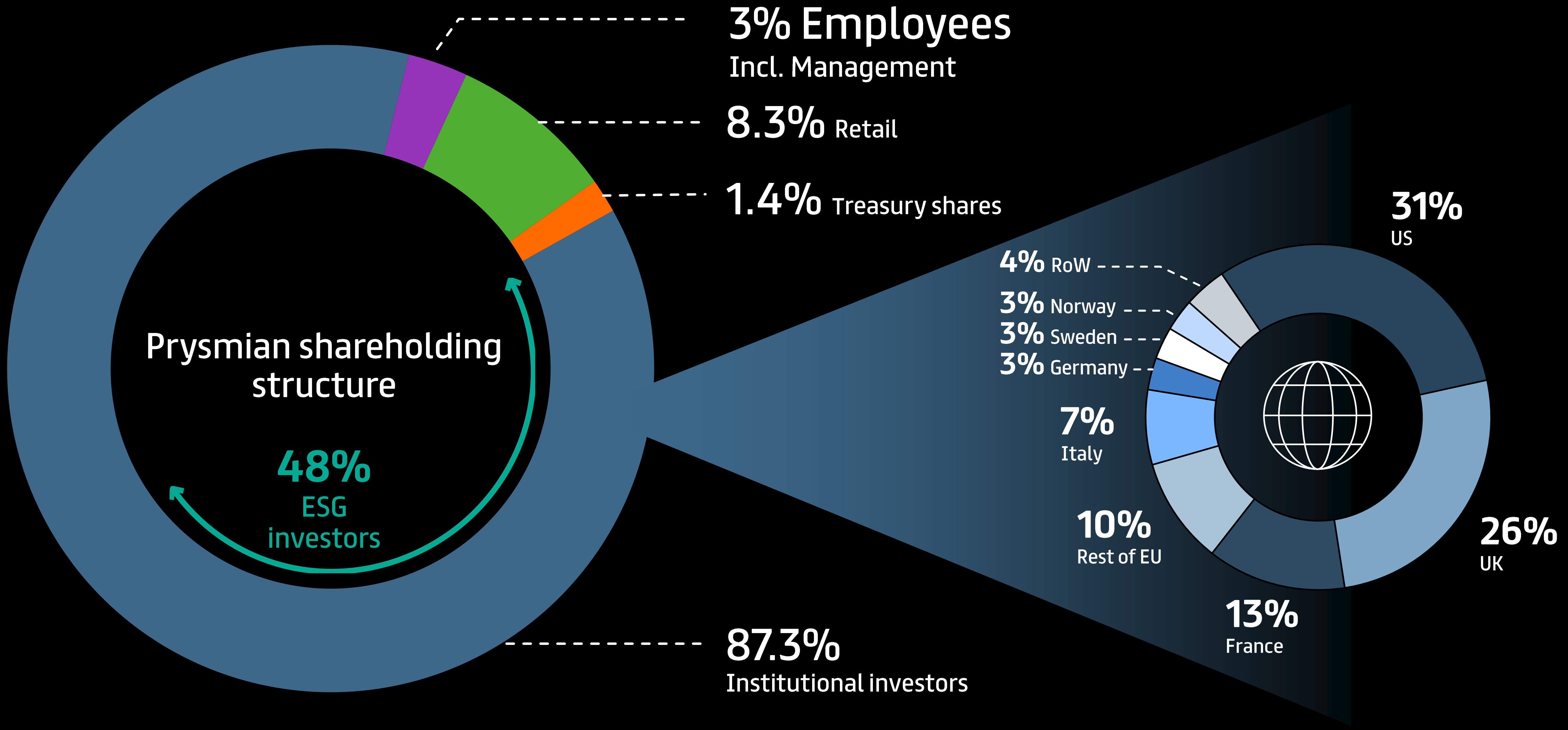
2020
Board sustainability committee
Sirocco Extreme

2021
SBTi approval
TCFD report
- German Corridors 525 kV
- HVDC P-Laser
- Eco cable

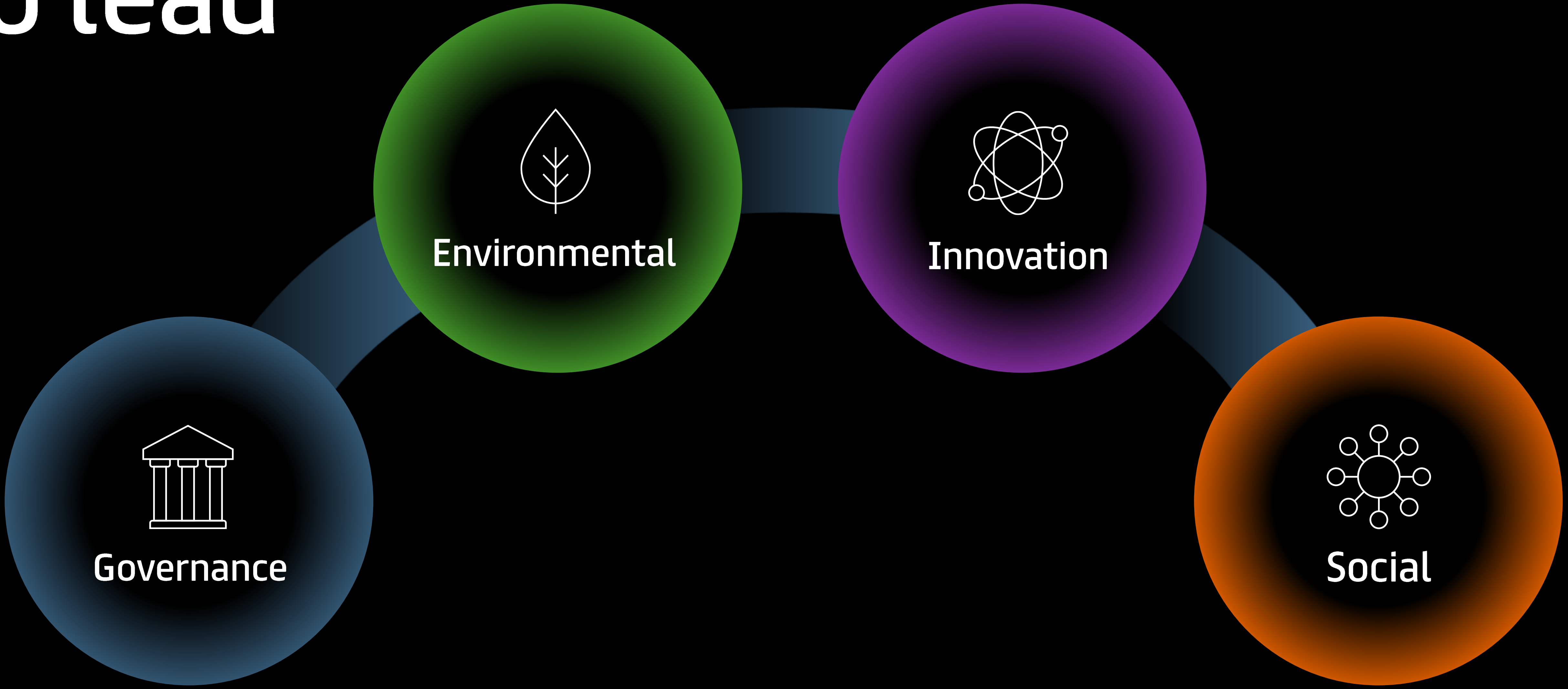
2022
First integrated report
- Submarine 525 kV
- E3X robot for OHL

2023
Building tomorrow's sustainability

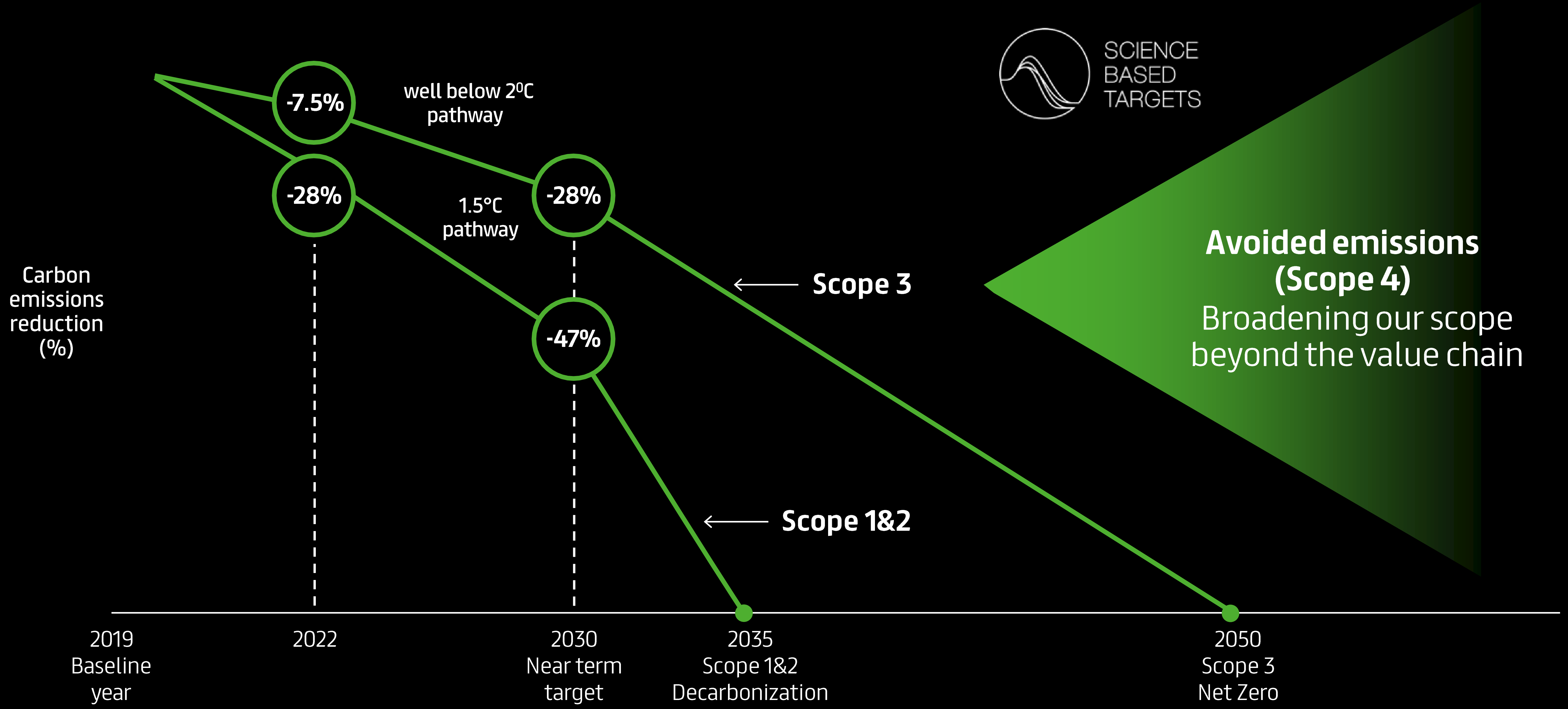
A truly public company, based on inclusion



Sustain, to lead

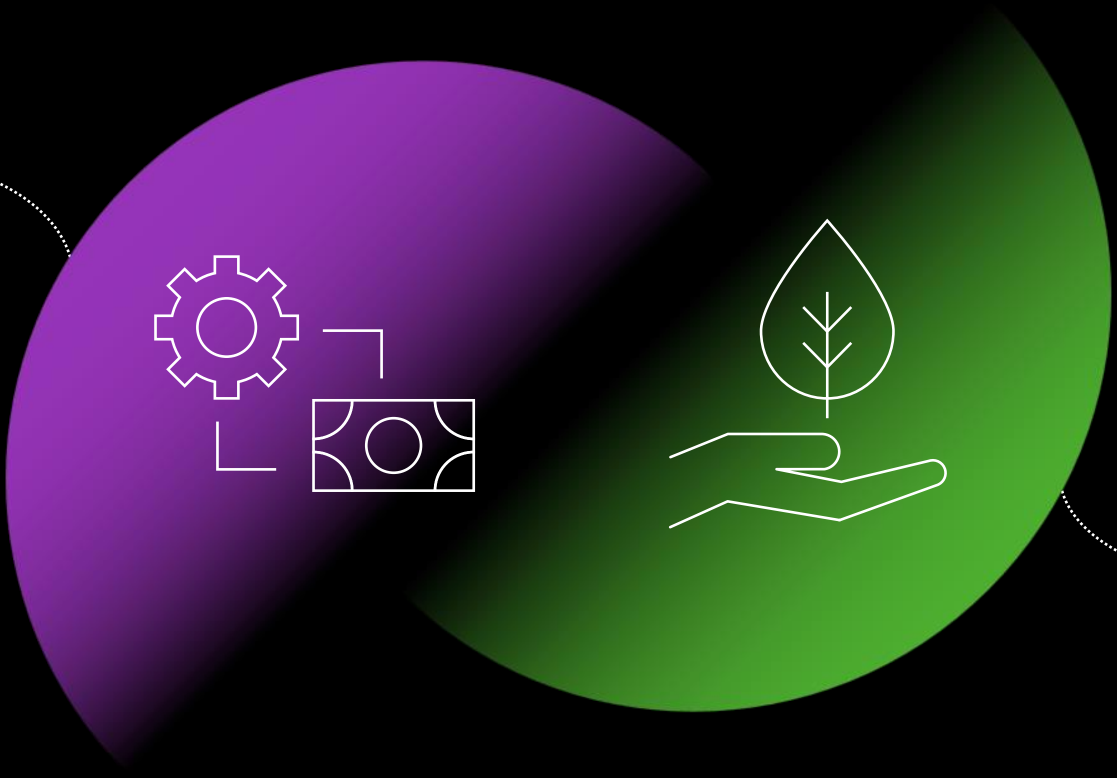


Decarbonizing the value chain, and beyond



Our design for sustainability pervades every aspect of what we do

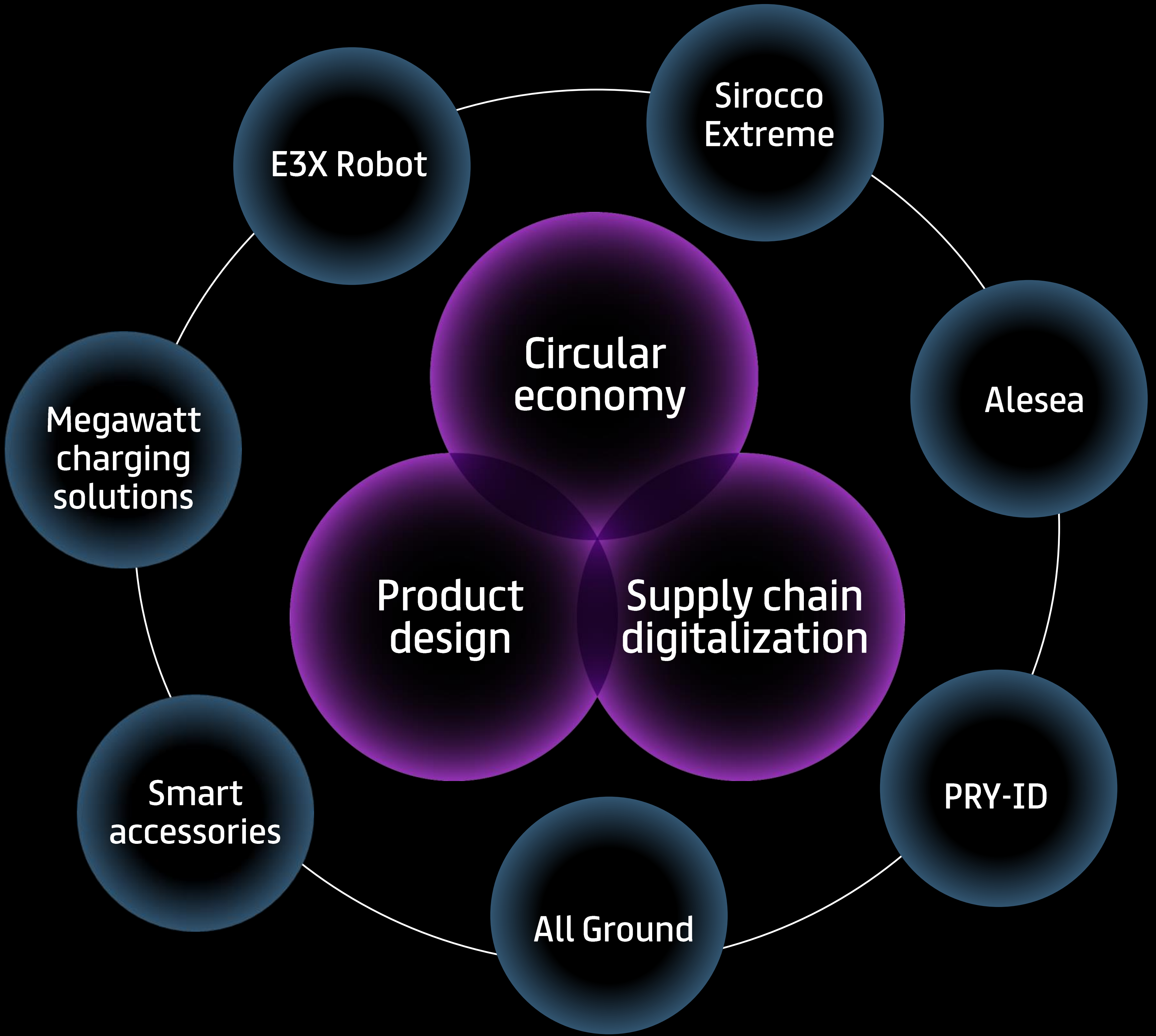
Design for performance



Design for sustainability

We innovate to support our customers and to go beyond the value chain

Selection of innovative solutions



SOCIAL

Sustainability also means equity and inclusion

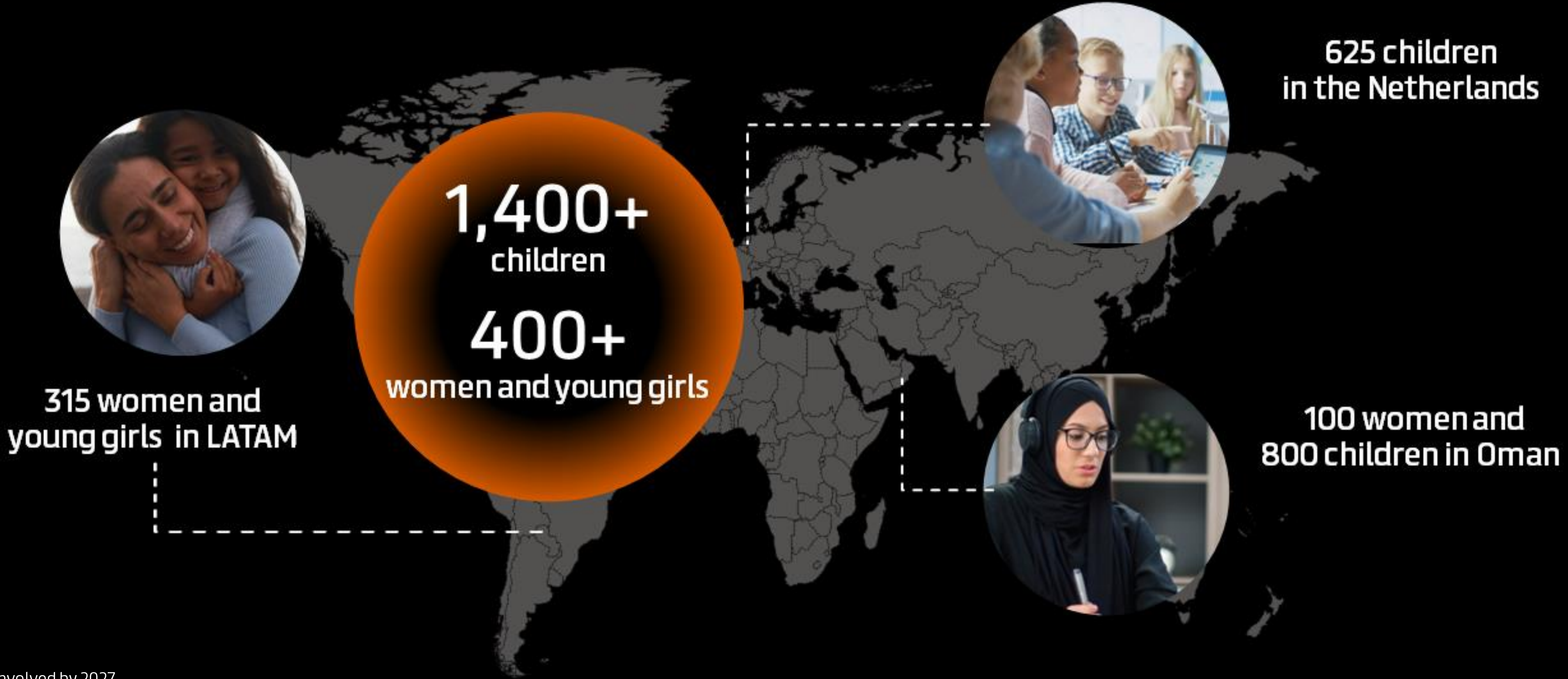
45-50%
Employees holding shares by 2027

SUSTAINABILITY ACADEMY
PRYSMIAN GROUP ACADEMY

35-37
Training hours per employee

+500
Women in STEM by 2027

Promoting talent within under-privileged communities



Note: People involved by 2027

Our sustainability targets at a glance

SDGS	KPI	Actual 2022	Target 2025	Target 2027
11 Sustainable cities and communities; 7 Affordable and clean energy	Enable access to green electricity to households	21 m	110 m	210 m
	Enable fast digital access to households	3 m	15 m	25 m
13 Climate action	% of reduction of Scope 1&2 GHG Emissions vs baseline 2019	- 28%	- 38%	- 45%
	% of reduction of Scope 3 GHG Emissions vs baseline 2019	- 7.5%	- 12%	- 23%
12 Responsible consumption and production; 13 Climate action	% of revenues linked to sustainable products	30%	40%	60%
	% of recycled content on PE jacket and copper	10%	15%	19%
8 Decent work and economic growth; 5 Gender equality	% of women in top management positions	13%	18%	25%
	% of desk workers women hired	45%	49%	50%

Sustainability Development Goals

SUSTAINABLE DEVELOPMENT GOALS

Dow Jones Sustainability Indexes

20	40	60	80	100

87

MSCI

CCC	B	BB	BBB	A	AA	AAA

A

ecovadis

20	40	60	80	100

74

FTSE4Good

1	2	3	4	5

3.9

Bloomberg

20	40	60	80	100

65

SUSTAINALYTICS

10	20	30	40

17

CLEAN200

200	150	100	50	1

58

V.E

20	40	60	80	100

57

CDP

D-	D	C-	C	B-	B	A-	A

A-

We are included in

MIB ESG STOXX

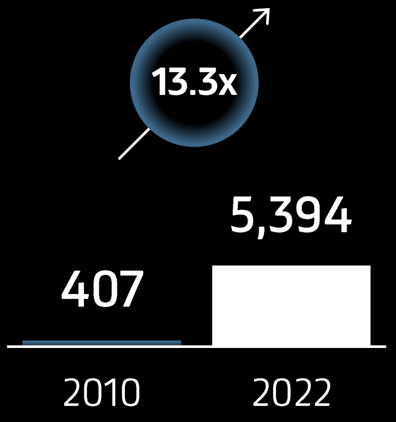
Connecting to value creation

Pier Francesco Facchini

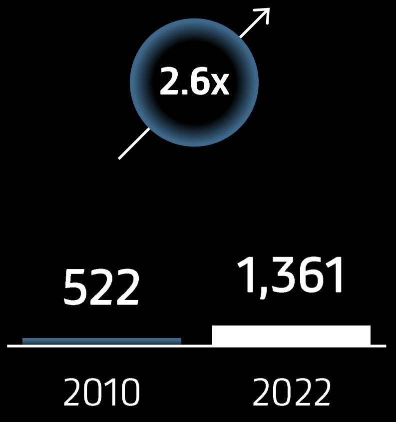
Our journey to becoming a truly global player

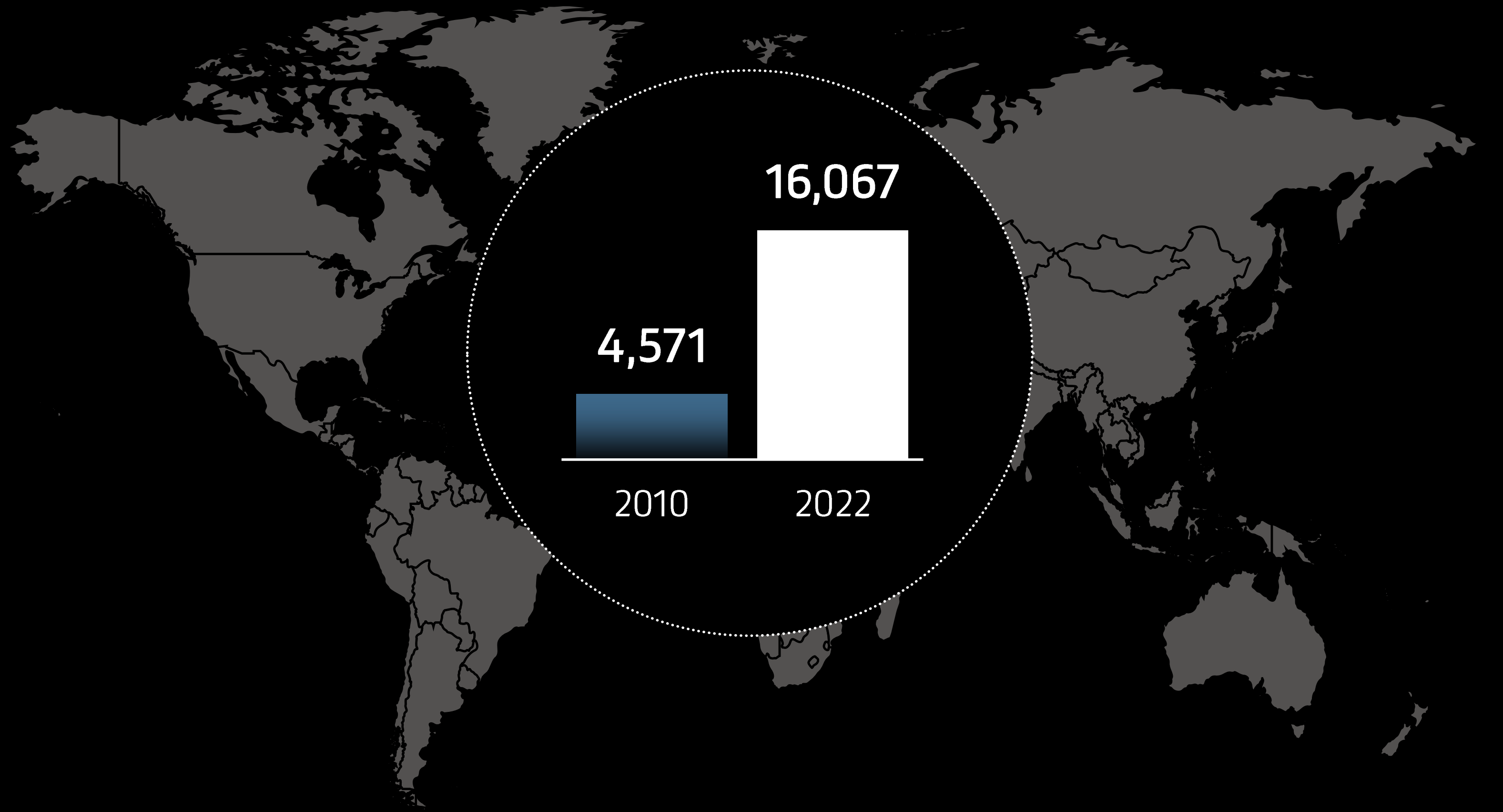
Sales by Geographies (€m)

North America



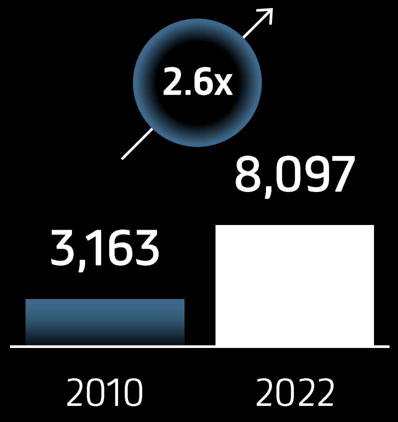
LATAM



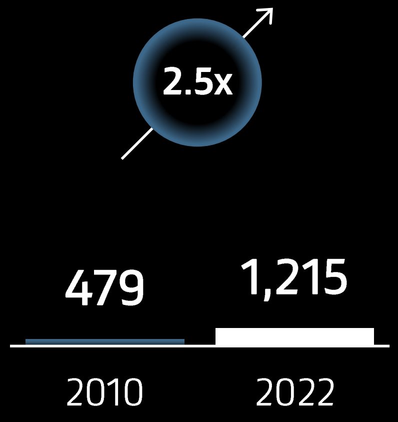


Group revenues almost **4x** between 2010 and 2022

EMEA



APAC



A new baseline, following the new segmentation (1/2)

Sales by Segments (baseline 2022, €m)

Current segments		Business units	New segments	
Projects	2,161	Submarine Power, Land HVDC[1]	Renewable Transmission	1,631
Energy	12,033	HVAC	Power Grid	3,597
		Power Distribution and Overhead Lines[2]		
		Industrial & Construction (former Trade & Installer) Specialties (formerly in Industrial & NWC)	Electrification	8,966
Telecom	1,873	Fibers and Optical Cables, Connectivity, Multimedia & Inside Plant cables (MMS)[3]	Digital Solutions	1,873

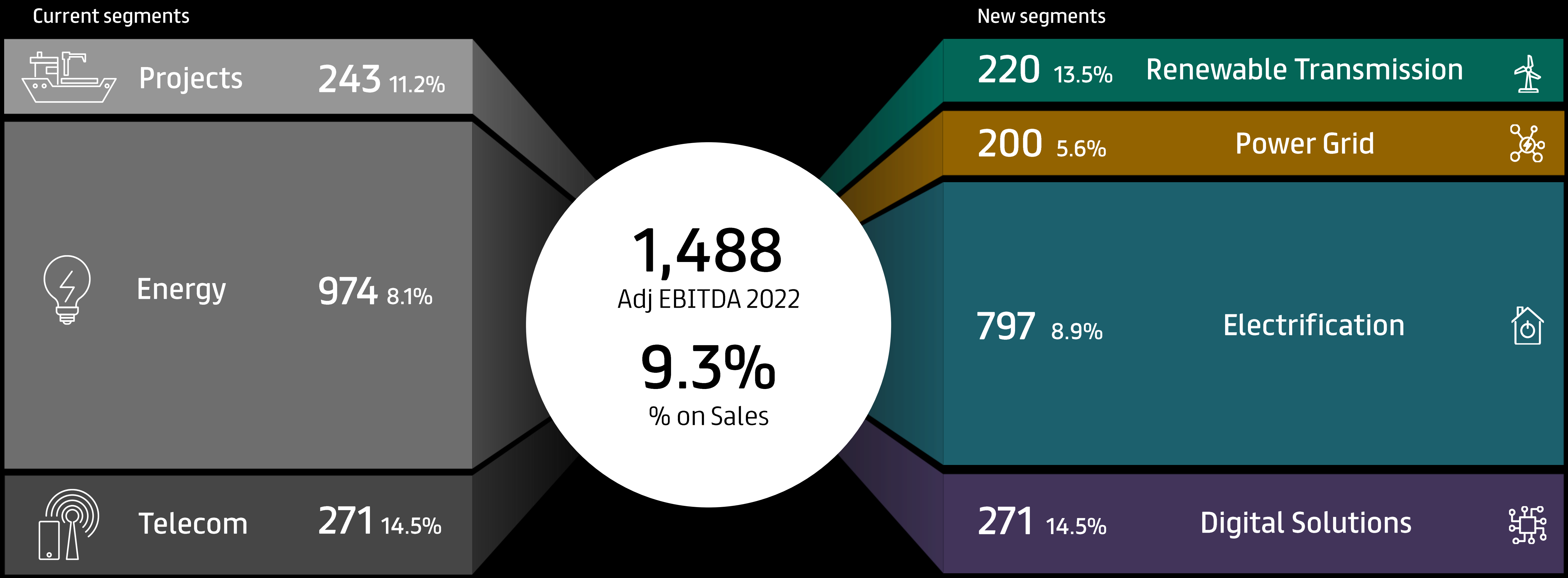
€16,067m

FY2022

1. Renewable Transmission also includes O&G Offshore Specialties, Submarine Telecom, High Voltage Network Components and Monitoring Solutions
2. Power Grid also includes Medium-Low Voltage Network Components and Medium Voltage Monitoring Solutions
3. Digital Solutions also includes Copper Telecom and OPGW

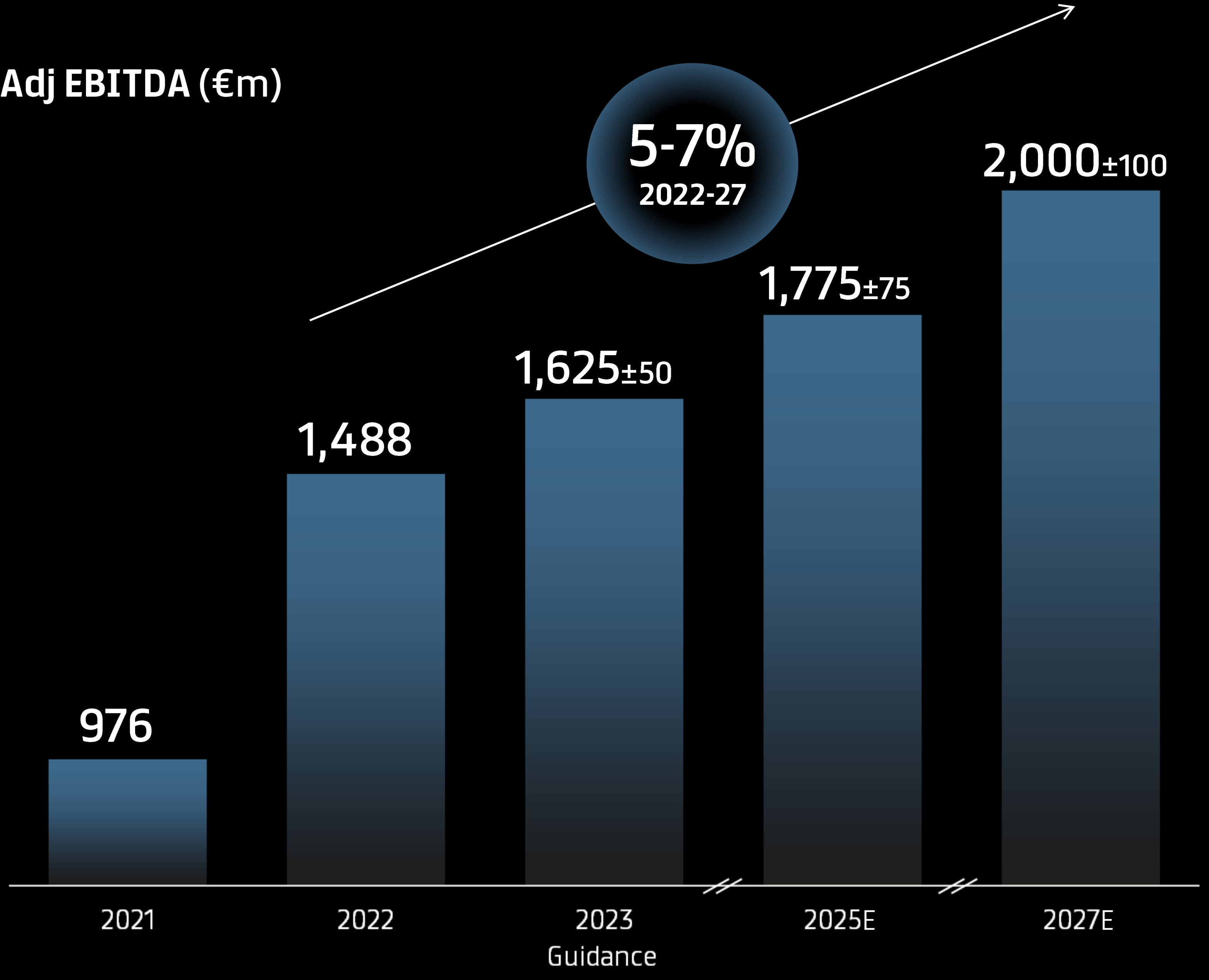
A new baseline, following the new segmentation (2/2)

Adj EBITDA and % on Sales by Segment (baseline 2022, €m)



Leadership consolidation through solid organic growth

Adj EBITDA (€m)



Sales organic growth 2022-27

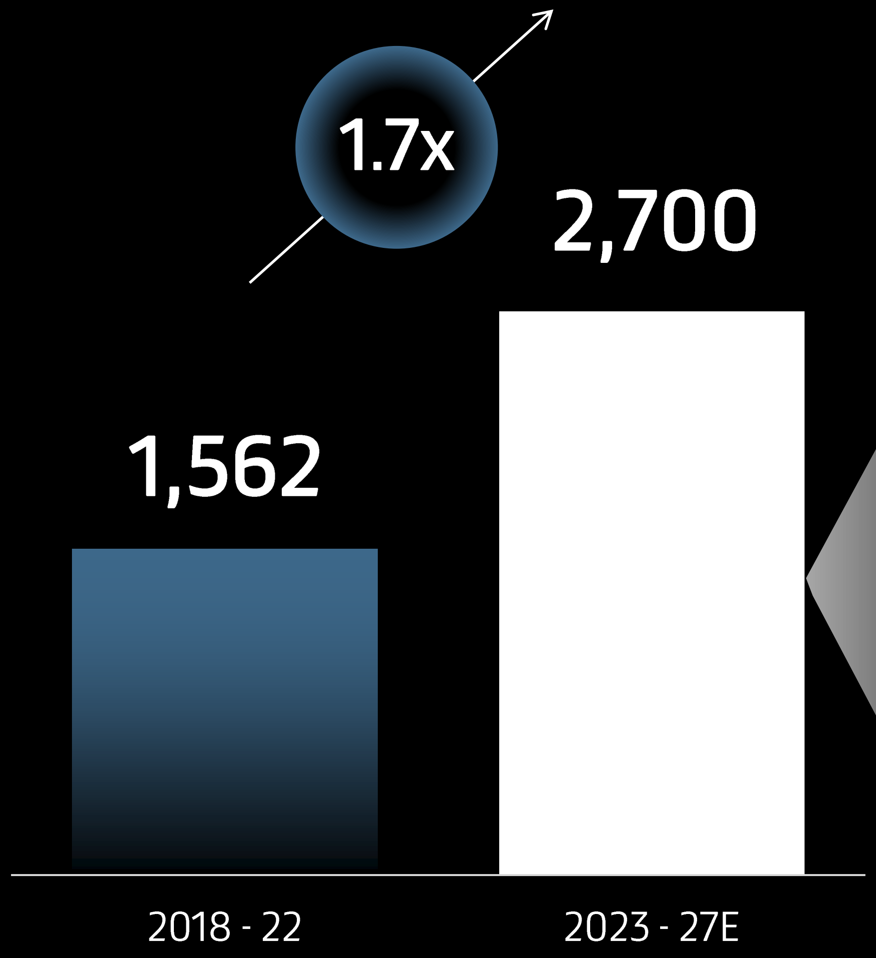
Renewable Transmission	High 2-digit
Power Grid	Mid 1-digit
Electrification	Low 1-digit
Digital Solutions	Low 1-digit

Strong outlook, driven by Renewable Transmission and Power Grid

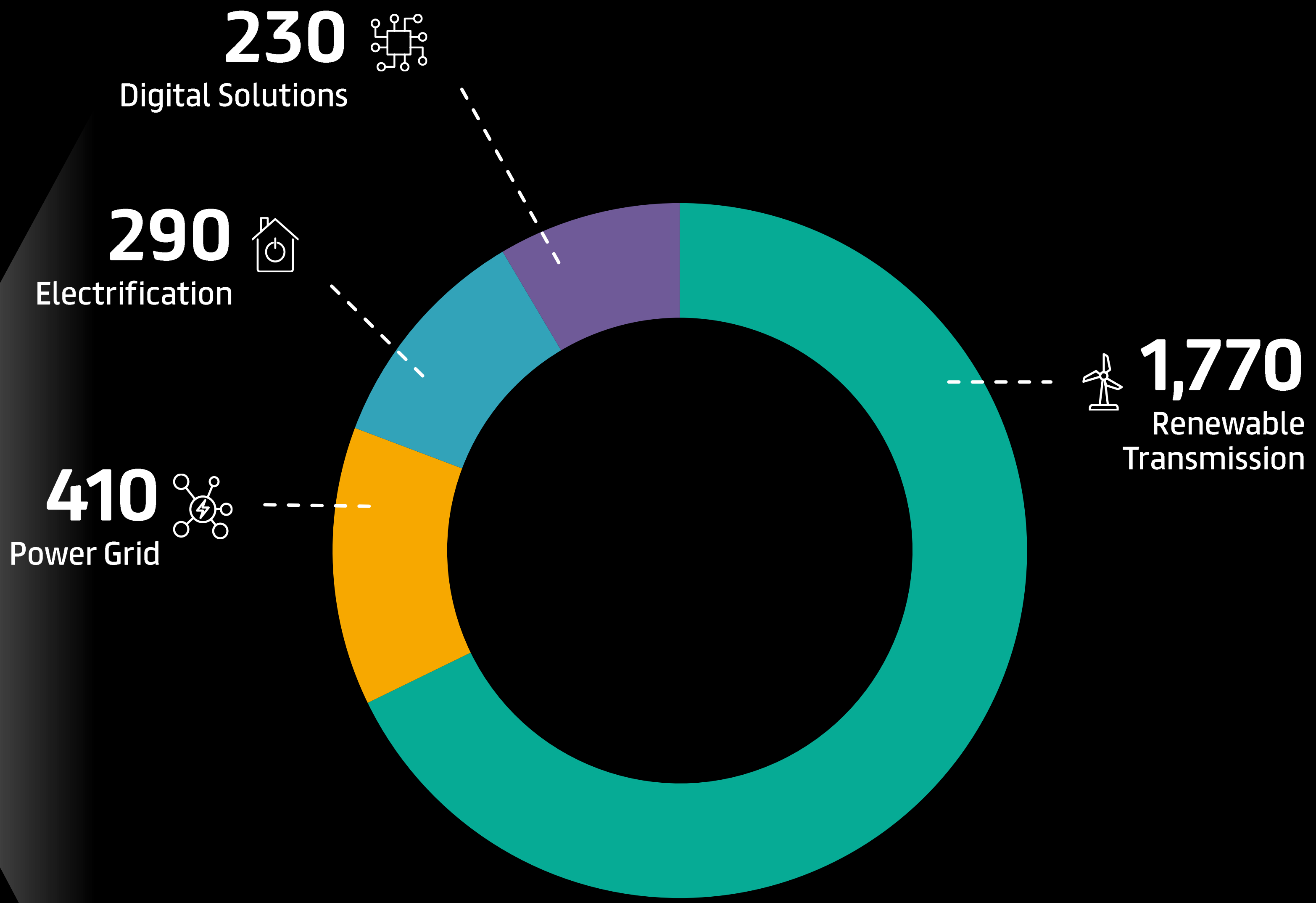
	2022	2027	
Adj EBITDA (€m)	1,488	2,000±100	
Renewable Transmission	220	~600	Executing backlog, enabled by tech leadership and additional capacity
Power Grid	200	~410	Responding to the opportunity of grid enhancement Strong focus on North America
Electrification	797	~700	Assuming N. America margin normalization from 2023 Growth drivers: Solar, Data Centers, Industrial, Reshoring
Digital Solutions	271	~290	Significant recovery after 2023 drop

Investment plan to capture growth drivers

Cumulative Capex (€m)

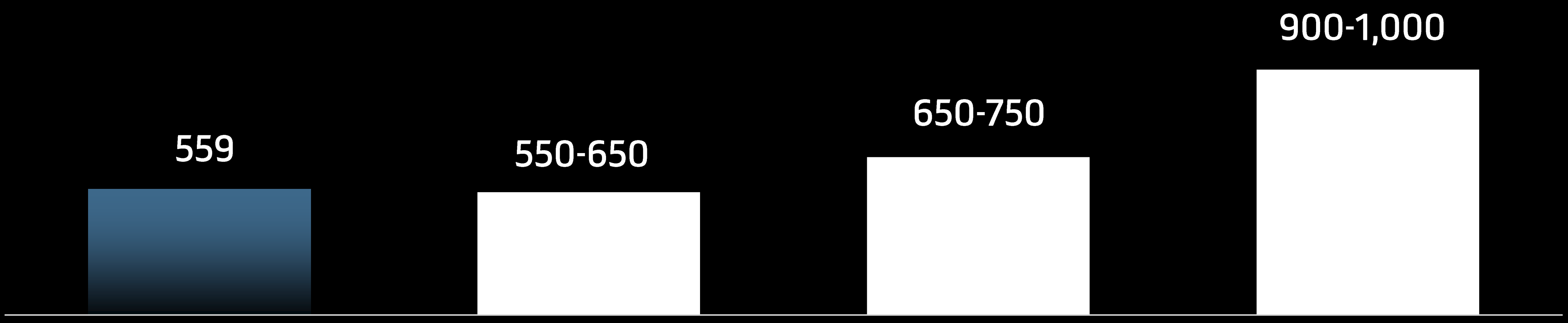


Yearly avg.	312	~540



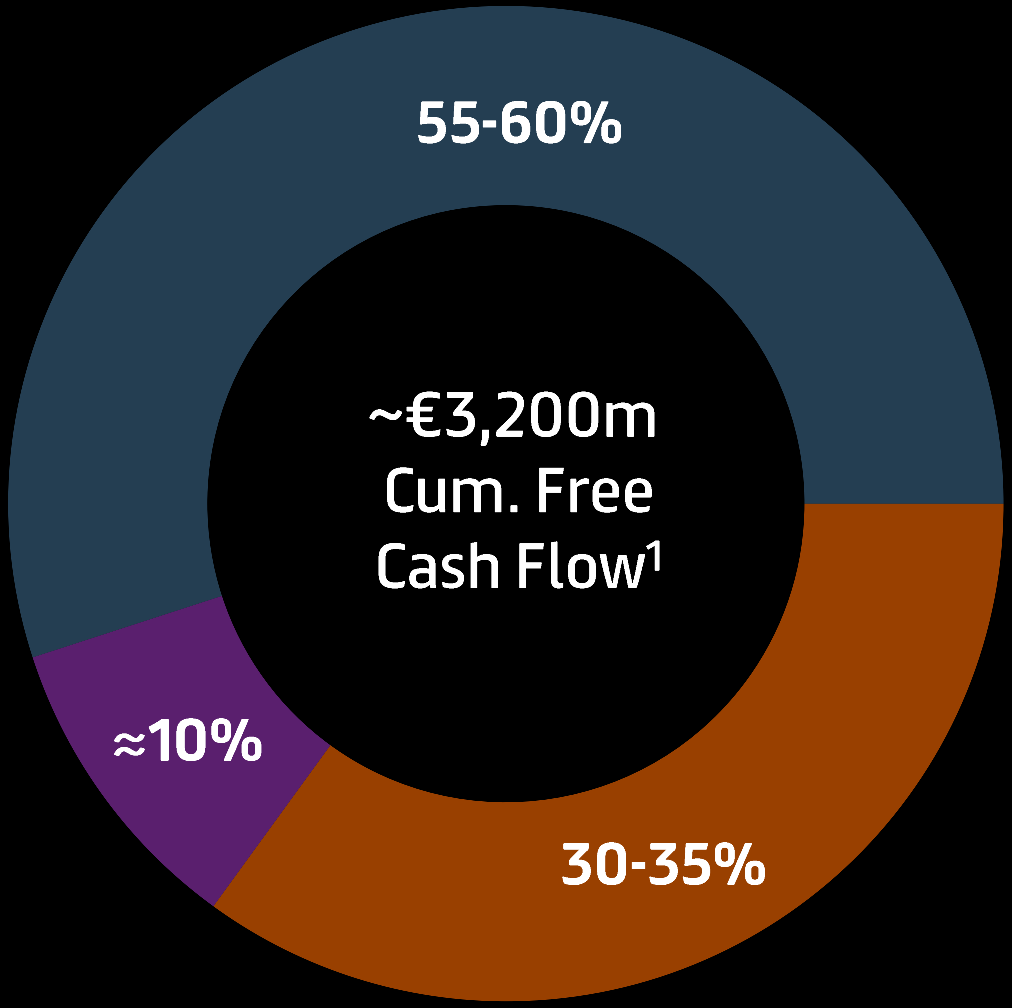
Accelerating cash generation from 2023

Free Cash Flow (€m)



	2022	2023 Guidance	2025E	2027E
Adj EBITDA (€m)	1,488	~1,625	~1,775	~2,000
Capex (€m)	(452)	~(560)	~(560)	~(430)
Delta WC (€m)	(105)	~80	~30	Flat
EBITDA conversion in FCF	37.6%	35-39%	38-41%	47-48%
ROCE	20.1%	21-23%	22-25%	25-28%

Our capital allocation priorities



2022-2027 EPS CAGR greater than 10%[2]

M&A and share buyback

Acquisitions to strengthen product portfolio and fully capture opportunities in high-growth businesses and geographical reach

Dividends

Progressive increase of ≈10% p.a

Deleverage

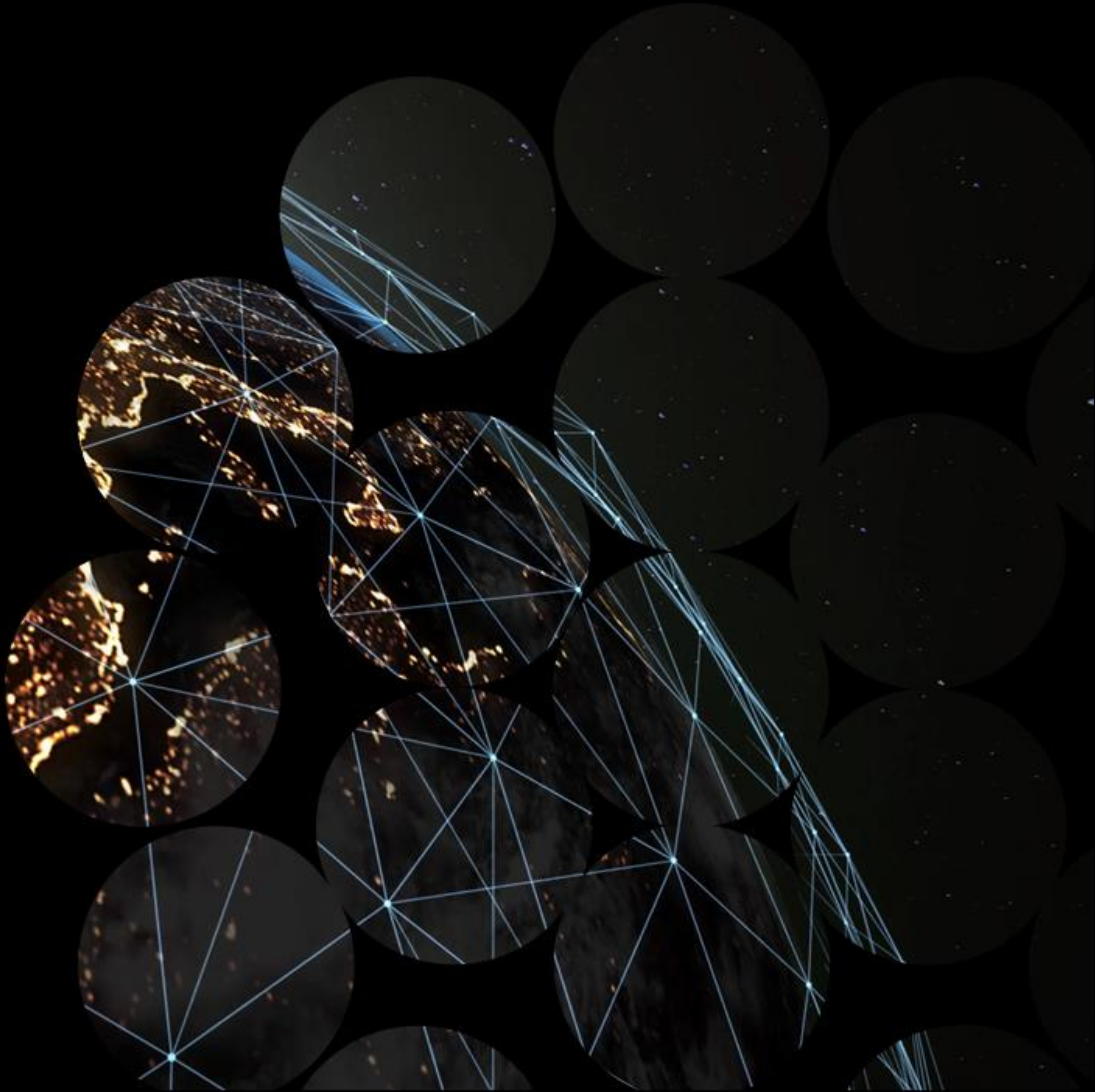
Ratio Net Debt/EBITDA to stay in the range 0.5-1.0x

1. 2022 – 2027 cumulated Free Cash Flow, excluding IFRS16 effect (€350m) and assuming potential Anti-Trust follow-on settlements (€100m)
2. EPS growth estimate is based on the current business perimeter (assuming no acquisition) and includes the effect of a share buyback consistent with the outlined capital allocation priorities

2023-27 value creation

	2022	2023 Guidance	2025E	2027E
Adj EBITDA (€m)	1,488	1,625 ±50	1,775 ±75	2,000 ±100
Free Cash Flow (€m)	559	550-650	650-750	900-1,000
ROCE	20.1%	21-23%	22-25%	25-28%

Connecting to our tomorrow



Massimo Battaini

Connecting the world to tomorrow

APPENDIX

Key assumptions

GDP growth
Europe & US: ongoing slowdown through 2023-24, recovery starting from 2024

Exchange rate
Assumed stable EUR/USD exchange rate at 1.08

Interest rates
Europe & US: progressively declining from 2024 onwards

Inflation
Europe & US: after peak in 2022, progressive decline starting from mid-2023 to a level of 2-2.5% in the medium term

Metals and raw materials
Assumed stable metals (CU, AL) and non-metal raw materials prices vs 2023

Notes

Slide 9 – Daily closing prices indexed

Slide 20 – Values for 2030 and 2050 are averages over the precedent decade

Slide 21 – $330bn investment in data centers refers to 2020-2030 cumulated value

Slide 35 – China and mega projects excluded; offshore wind and interconnectors distribution based on order award year; frame agreement distribution based on production start year

Slide 37 – Orders with solid commitment includes projects backed by a capacity reservation fee, projects where Prysmian was selected as preferred bidder or projects that we regard as highly likely to materialize

Slide 39 – Values for 2022, 2030 and 2050 are averages over the precedent decade

Slide 46 – Market forecast of fixed network excludes China

Slide 68 – Total treasury shares not to exceed 10% of total outstanding shares

Sources

Slide 15 – Edelson Institute, MIT Economics

Slide 16 – IEA, BNEF, APS, NZE scenarios, CRU

Slide 17 – IEA, BNEF, US Energy Information Admin, IRENA

Slide 18 – IEA, APS, NZE scenarios

Slide 19 – IEA

Slide 20 – BNEF (Net Zero Scenario)

Slide 21 – IDC, Ericsson, Aritzon – Global Data Center Market, CRU

Slide 35 – Internal company analysis

Slide 39 – BNEF

Slide 42 – IEA, Aritzon – Global Data Center Market, IRENA, CRU

Slide 46 – CRU, S&P, Aritzon, Gartner

Glossary

SALES ORGANIC GROWTH	Variation of Net Sales compared to same period of previous year, calculated excluding: changes in consolidation perimeter, changes in metal prices and exchange rate translation effects
ADJ. EBITDA	Adjusted excluding restructuring expenses, non-operating income/expenses and non-recurring income/expenses; also excluding impairment cost, share-based compensation and fair value changes of metal derivatives
FREE CASH FLOW (FCF)	Free Cash Flow, levered, after tax, excluding Acquisitions & Disposals and excluding Antitrust in/out-flows
EBITDA CONVERSION IN FCF	Free Cash Flow divided by Adj. EBITDA
DELTA WORKING CAPITAL	Cash flow impact deriving from yearly changes in monetary Operating Working Capital items, excluding change in fair value of metal derivatives and in tax credits / liabilities
RETURN ON CAPITAL EMPLOYED (ROCE)	Ratio between Adjusted EBIT and Net Capital Employed: – Adjusted EBIT before taxes and share-based compensation (same adjustments as in Adj. EBITDA) – Net Capital Employed excluding (i) FV of Metals derivatives (ii) Antitrust provisions (iii) Tax receivables/payables and deferred tax assets/liabilities and (iv) Investment in associates
CAPEX	Net capital expenditure, i.e. additions of tangible and intangible assets, less disposals
BACKLOG (a)	Related to Renewable Transmission; residual sales value of firm orders not yet completed; it refers to orders in execution phase and/or having received the notice to proceed
ORDERS WITHOUT SOLID COMMITMENT (b)	Related to Renewable Transmission; sales value of orders with high likelihood of entering into execution phase (and/or of receiving the notice to proceed) within the timeline of the 5YP, in consideration of the fact that: they are backed by a material capacity reservation fee, or by any other kind of solid mutual agreement, or Prysmian has been selected as preferred bidder and no major condition precedent is yet to be fulfilled
ORDERS IN HAND (a) + (b)	Related to Renewable Transmission; sum of Backlog and Orders with solid commitment

Connecting the world to tomorrow