

Prysmian Group

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PRYSMIAN GROUP OVERVIEW

Prysmian Group is world leader in the energy and telecom cable systems industry. With sales exceeding €12 billion, about 29,000 employees in **over 50 countries and 108 plants**, the Group is strongly positioned in high-tech markets and offers the widest possible range of products, services, technologies and know-how. It operates in the cables and systems businesses for power transmission and distribution and in the telecommunications industry.

Founded as Pirelli Cables in the late 1800s, the Group has grown through acquisitions: from the integration of Siemens and Nokia in the energy cables field, to the acquisition of the Dutch Draka group and, last but not least, the merger with the US General Cable group in 2018. These combinations have made it possible to broaden and innovate the range of products and services to meet the highest standards, as well as to widen its geographical presence, which is a strong feature in serving the region-specific nature of the market.

This evolution over the years has underlined the development of know-how and technological capabilities, as well as of management skills, thus turning us into an **industry leader** also in terms of operational efficiency. Operations are constantly driven by powerful convictions that underpin a solid ESG identity across all operations.

“We wire every corner of the world with state-of-the-art cable technology”

ABOUT US: OUR VISION & MISSION

Prysmian Group's philosophy, strategy and successes are rooted in sound principles that lead the company to **position itself as one of the leading cable manufacturers, emerging as a technology enabler**, offering customers access to smarter, cleaner energy and helping them enhance their communities.

Energy and information are instrumental in community development all over the world. This is why the Group believes in the efficiency, effectiveness and sustainability of energy provision and information as a main driver for community development.

To implement its vision in a realistic way, the Group is committed to **provide customer with superior quality cable solutions**, ultimately delivering **sustainable growth and profit**. **Prysmian Group seeks to position itself as a reliable partner for its customers**, through its working methods and approach, which are a tangible demonstration of both the **passion and skills fueling our daily commitment**.

“We offer our customers worldwide cables and systems for power transmission and telecommunications, employing state-of-the-art technology solutions”.

PRYSMIAN: THREE BUSINESSES, THREE NATURES

No matter how simple the product or how challenging the project, **Prysmian Group brings communities around the world together**, delivering effective, efficient and sustainable solutions across its **three business areas: Projects, Energy and Telcom**.

PROJECTS

This segment involves the high-tech and high value-added business of designing, building and customising high and extra-high voltage submarine and land cable systems. The Group develops the most state-of-the-art **turnkey submarine cable systems, including deployments for submarine depths of up to 3,000 metres** with its Giulio Verne, Cable Enterprise, Ulisse and Leonardo da Vinci fleet of cable-laying vessels (operating from July 2021). Prysmian Group also provides cutting-edge services for the implementation of submarine and land links between several countries and also between offshore wind farms and mainland power production and distribution. Sales in the PROJECTS segment amounted to €1,594 million in **2021, accounting for 13% of total Group revenues**.

ENERGY

This sector includes business segments offering a comprehensive and innovative range of products designed to fulfil the many requirements of its target markets. It is divided into the following segments:

Energy & Infrastructure

Including Trade & Installers, Power Distribution and Overhead Transmission Lines.

Industrial & Network Components

Comprising Oil & Gas, Elevators, Automotive, Network Components, Specialties & OEM, (including Crane, Mining, Railways, Rolling Stock, Marine and Renewables - cables for the solar energy industry and for operating and connecting wind turbines) and Electronics (Asset Monitoring Solutions) segments.

Sales of the ENERGY segment rose to €9,557 million in **2021**, representing **75% of the Group's total revenue**.

TELECOM

This segment includes businesses dedicated to **cable systems and connectivity products for TLC networks. Its product portfolio includes fibre optics, optical cables, connectivity components and accessories, OPGW (Optical Ground Wire) cables and copper cabling solutions.** The Group is one of the leading manufacturers of the core component in all kinds of optical cables: fibre optics. **A wide range of fibre optic cables are designed and manufactured using proprietary technology to respond to the broadest range of customer-required applications: single-mode, multi-mode and specialty.** Within cable and connectivity, the Group is focusing on product designs providing higher densities in smaller sizes, ease of use and better fibre management. **In 2021**, the TELECOM segment amounted to €1,585 million, **accounting for 12% of the Group's total revenues**.

“Three business areas, one sector-leading company”

2021: GROUP'S FINANCIAL RESULTS

Group sales grew to a record €12,736 million, with an organic change of +10.9% (+13.6% in Q4); excluding the Projects segment, the organic change was +11.0%.

Adjusted EBITDA rose by +16.2% to €976 million, exceeding the Group's upper range of expectations and revised guidance of €920-€970 million. There was also a strong acceleration in Q4, with Adjusted EBITDA reaching €251 million (the best fourth quarter performance ever in the Group's history). Exchange rates generated a negative impact of approximately €11 million during 2021. The Group result, net of the cumulative exchange rate effect in the two years (equal to €55 million) was higher than in 2019. Margins remained substantially stable, despite the impact of increasing metal prices, with the ratio of Adjusted EBITDA to Sales at 7.7% (8.6% restated at 2020 metal prices) compared to 8.4% in 2020.

EBITDA was €927 million (€781 million in 2020), net of costs for company reorganisations, non-recurring expenses and other non-operating expenses totalling €49 million (€59 million in 2020). These adjustments mainly included non-operating costs for €26 million and reorganisation charges for €21 million.

Operating income amounted to €572 million, compared to €353 million in 2020.

Net profit attributable to owners of the parent rose to €308 million compared to €178 million in the previous year.

OUR BRANDS

Prysmian Group's corporate brand also operates in the market with three different commercial brands: **Prysmian, Draka and General Cable.**

These are three of the world's leading cable brands, providing complementary products and services.

The Group applies the three commercial brands to all its products, as each of them encompasses the wide range of product brands that serve all the markets and applications in which the Group operates.

In detail, in 2012 the market-leading companies **Prysmian and Draka came together to establish Prysmian Group**, a global champion in the energy transmission and telecommunications cables sector. Later on, **in 2018**, The Group consolidated and reconfirmed its leading position through its combination with **General Cable.**

"In short, we are linking the future. This is the heart of our Brand"

SUSTAINABILITY: TAKING RESPONSIBILITY AS A LEADER

The Group is committed to ensuring the **sustainability of our production processes and to safeguarding the environment. We work alongside local communities** to ensure that the areas in which we operate are protected and to guarantee workplace safety.

The environmental performance, among other things, is improving as a result of the efficiency measures undertaken:

- **CO2 emissions** amounted to 678,000 t eq. in 2021 (870,000 t eq. in 2019, down -22,1% on the 2019 baseline - Scope 1 and Scope 2 market based;
- total **recycled waste was stable at 69%**;
- **20.9% of cables assessed using ECO CABLE CRITERIA** (vs 1% in 2020).

In 2021, the Group improved its positioning in the main sustainability indexes, **ranking first with a score of 87/100 in the ELQ Electrical Components & Equipments of the Dow Jones Sustainability World**, also confirming its inclusion in other indices, i.e., FTSE4Good (3.8/5), MSCI (AA), Bloomberg and STOXX Global ESG Index. Prysmian also achieved **Ecovadis' Platinum level** and maintained a good level in the CDP Climate Change ESG index (B).

Developing a sustainability strategy today means building the foundation for the resilience of tomorrow's whole industrial business. With this commitment in mind, which marks Prysmian Group's DNA as a public company, the brand has set out an ambitious and measurable strategic sustainability plan in line with international standards that will create value for all stakeholders.

In order to reach the rank of Sustainability Champion, the Group aims to implement the following initiatives:

1. SOCIAL AMBITION

- Diversity & Inclusion programmes
- Women in STEM related jobs
- Measuring impacts on communities
- Health and Safety as a Top Priority
- Gender Equality

2. CLIMATE CHANGE AMBITION:

- Net zero target
- Investment of about €100 million over the next ten years to enhance the environmental performance of Group assets
- Science Based Target Initiatives
- New climate strategy (aligned to the COP26) endorsing the Business Ambition (1.5°C) with the "net zero" target:
 - by 2035 (Scope 1 and 2)
 - by 2050 (Scope 3).

3. ENERGY TRANSITION & DIGITALIZATION:

- Cables as energy transition process enablers
- Fibres and innovative solutions in the economy's digitisation and decarbonisation process.

"Prysmian is all about making every effort to ultimately deliver sustainable growth, leveraging the most advanced technologies and a responsible business model"