

DEVELOPMENT OBJECTIVES AND STRATEGIES

Fundamentals of our growth strategy

As world leader in the energy and telecom cables and systems industry, Prysmian aims to serve as an "enabler" for the economic and social development of the countries in which it operates.

The Group's medium-term growth strategy is based above all on the shared principles of the corporate Mission and Vision. Prysmian states in its Vision that it believes in "the efficient, effective and sustainable supply of energy and information as the principal driver for the development of communities". In accordance with its mission, the Group is therefore committed to developing and applying advanced technological solutions to provide its "customers worldwide with cables and systems for energy and telecommunications" that represent effective, efficient and sustainable solutions to their needs.

In short, Prysmian aims to play a role as an "enabler", in partnership with its customers, for the economic and social development of the countries in which it operates. Its position as world leader in the energy and telecom cables and systems industry also sees the Group in the prime role as a promoter of growth and of continuous improvement in the entire industry, both in terms of the technologies used and

the ability to develop suitable solutions with customers for the new sources of power generation and data transmission. The ability to produce constant innovations and to promote awareness of the cable industry's strategic role are the key to Prysmian's market approach.

The Group places stakeholders at the centre of its business strategy, the core guidelines of which are based on:

- **Customer Centricity**, meaning provision of innovative products and cable systems, truly inspired by a solution-driven rationale;
- **Creating Value for Shareholders**, in terms of return on investment and profitability in the short run, but above all in the medium to long term.

The critical success factors for the Prysmian Group can be represented as follows:



Ability to anticipate/satisfy customer needs.

The technologies and processes used must be capable of developing products and solutions that anticipate and satisfy the needs of its customers. This is why the Group constantly strives to improve its competencies in the areas of Research and Development, Customer Centricity, human resource development and environmental sustainability.



Balanced and sustainable growth.

The ability to combine short and medium to long-term objectives, measurable not only by short and medium-term financial performance to meet shareholders' expected return on capital, but also by seeking healthy creation of value through the adoption of a system of governance and a business model that allows such results to be sustained over the long run.



"Healthy" management and financial discipline.

The Group aims to implement "healthy" and prudent principles in its financial management. In particular, it pays great attention to operating profitability and cash generation, with a particular focus on working capital management and the reduction of fixed costs and capital employed in order to maximise cash flow generation and the return on investment. The Group also aims to maintain adequate financial leverage for its strategy of organic and acquisition-led growth.



Transparency, corporate governance and market and investor confidence

The Group pays particular attention to its relations with financial markets, shareholders and investors, also because of its public company status. Its focus in this sense is on ensuring precise maintenance of commitments and delivery of target results. Transparency and credibility are also expressed in a system of corporate governance based on strict interpretation and application of the relevant regulations and the adoption of principles and decisions drawn from international best practices.



Expansion and growth.

The Group's development strategy follows the dual track of growth in size and continuous improvement in profitability. The Group pursues both organic growth of the business, based on a selective investment policy and development of commercial and production synergies, and acquisition-led growth. The search for growth opportunities is primarily focused on higher value-added high-tech businesses while in terms of geographical expansion, the Group mainly invests in countries and markets capable of ensuring high rates of growth and profitability.



Rationalisation and efficiency of industrial and commercial processes.

Prysmian has consolidated over time the ability to optimise its industrial processes, including by integrating and rationalising acquired companies. In fact, the Group has been successfully conducting the process of integration with Draka started in 2011 and is on track with its targets. It intends to push ahead with the plan to extract synergies from rationalising its organisation and industrial footprint, as well as from procurement activities. The development of synergies with Draka also covers the commercial sphere, involving the integration of product ranges and enhancement of customer service.