SPAFID CONNECT

| Informazione Regolamentata n. 0902-11-2022 | Data/Ora Ricezione 01 Marzo 2022 14:22:56 | Euronext Milan |
|---|---|---|

| | | |
|---|---|---|
| Societa' | : | PRYSMIAN |
| Identificativo Informazione Regolamentata | : | 157925 |
| Nome utilizzatore | : | PRYSMIANN05 - Bifulco |
| Tipologia | : | 1.1 |
| Data/Ora Ricezione | : | 01 Marzo 2022 14:22:56 |
| Data/Ora Inizio Diffusione presunta | : | 01 Marzo 2022 14:22:58 |
| Oggetto | : | Prysmian S.p.A.: full year 2021 results |

*Testo del comunicato*

Vedi allegato.

## STRONG GROWTH IN 2021; GUIDANCE EXCEEDED

## RECORD €4.8 BILLION PROJECT ORDERS SECURED IN 2021

## FY 2022 GUIDANCE: ADJUSTED EBITDA AT €1,010M-€1,080M / FCF ≈ €400M ±15%

- **RECORD SALES AT €12,736M, ORGANIC GROWTH AT +11.0%[1]**
- **ADJUSTED EBITDA AT €976M, +16.2% VS 2020 (UPDATED GUIDANCE: €920M–€970M)**
- **STABLE MARGINS AT 7.7% (8.6% AT 2020 METAL PRICES VS 8.4% IN 2020)**
- **GROUP NET PROFIT ROSE TO €308M FROM €178M (+73%)**
- **SOLID PERFORMANCE ACROSS ALL BUSINESSES; STRONG EXECUTION IN PROJECTS IN Q4**
- **STRONG CASH FLOW GENERATION, FREE CASH FLOW AT €365 M[2] (VS GUIDANCE OF €300M ± 20%) AND NET DEBT DECREASING TO €1,760M VS €1,986M AT 2020 YEAR-END**
- **$CO_2$ EMISSIONS DECREASED BY 22,1% COMPARED WITH THE BASELINE SET IN 2019 (CERTIFIED BY SBTI)**
- **PROPOSED DIVIDEND INCREASED TO €0.55 PER SHARE (+10% VS. 2020)**

Milan, 1 March 2022. The Board of Directors of Prysmian S.p.A. approved today the Group's consolidated results for 2021[3].

*"The recovery trend gained pace at the end of the year, allowing the Group to close 2021 with sharp growth in revenue and exceed the guidance previously announced to the market,"* stated CEO Valerio Battista. *For the first time, sales exceeded €12 billion, a record milestone, and Adjusted EBITDA grew sharply, with stable margins despite significant rises in commodity prices. In particular, our results were driven by the resilience of the Energy business segment and the recovery in Telecom. Flawless execution of submarine cable projects in progress, also led to a recovery in the Projects segment, a business positively exposed to the energy transition, where the Group has reaffirmed its technological and market leadership, acquiring record orders worth approximately €4.8 billion in the year. With the aim of consolidating our position in the US market, we are also planning to build a new submarine cable plant in the USA. We have started 2022 with the same conviction and determination, which includes setting ambitious new targets for the year, with an expected Adjusted EBITDA in the range of €1,010 million to €1,080 million and a free cash flow target of €400 million ±15%,"* concluded Valerio Battista.

[1] Excluding the Projects segment.
[2] Excluding cash flows due to acquisitions, disposals and antitrust-related issues.
[33] The Consolidated Financial Statements and Draft Separate Financial Statements are currently still being audited.

## 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%. The Energy business segment confirmed its resilience, with organic growth of +10.7% compared to 2020 and +3.8% compared to 2019, exceeding pre-pandemic levels. Trade & Installer and cables for renewable energy performed particularly well while Power Distribution demonstrated a strong recovery during Q4 in North America. The Telecom segment also benefited from the favourable trends within the US market, reporting +12.7% organic growth. Prysmian's comprehensive execution in submarine cable projects was the main driver for the Projects segment, sharply accelerating in Q4 with a +34.7% increase over the same period of 2020, exceeding the Group's expectations.

**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. The Energy segment confirmed its resilience, particularly in terms of profitability, driven by the Trade & Installers' crucial contribution, with Power Distribution also showing signs of a recovery in Q4, driven by US demand. Margins remained stable across the Telecom segment, due to efficiency-building measures and an enhanced product mix. The Projects segment recovered markedly, reporting an increased Adjusted EBITDA mainly driven by a record Q4 performance.

**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.

**Free Cash Flow** before acquisitions and divestments stood at €365 million (also excluding antitrust related flows), exceeding the guidance.

Despite having paid dividends of €134 million, the strong cash flow generation resulted in significant reduction of **Net Financial Debt**, which amounted to €1,760 million at year end (€1,986 million at 31 December 2020). The significant deleverage was achieved thanks to solid cash generation of €365 million, excluding outflows from acquisitions and disposals amounting to €93 million and as cash inflow of €58 million related to an antitrust settlement agreement.

The factors that allowed this level of cash generation:

- operating cash flows before changes in net working capital amounting to €883 million;
- cash outflows due to restructuring costs amounting to €24 million;
- cash outflows due to the €28 million increase in net working capital;
- net investment amounting to €275 million;
- net finance costs amounting to €79 million;
- paid taxes amounting to €120 million;
- collection of dividends from affiliates totalling €8 million.

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

| | 2021 | 2020 | Change % | % organic sales(*) |
|---|---|---|---|---|
| Sales | 12,736 | 10,016 | 27.1% | 11.0% |
| Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies | 958 | 822 | 16.5% | |
| Adjusted EBITDA | 976 | 840 | 16.2% | |
| EBITDA | 927 | 781 | 18.7% | |
| Adjusted operating income | 647 | 515 | 25.6% | |
| Operating income | 572 | 353 | | |
| Profit/(Loss) before taxes | 476 | 252 | | |
| Net profit/(loss) for the period | 310 | 174 | | |
| Net profit attributable to owners of the parent | 308 | 178 | | |

*Excluding Projects

(in millions of Euro)

| | 31 December 2021 | 31 December 2020 | Change |
|---|---|---|---|
| Net fixed assets | 5,304 | 4,971 | 333 |
| Net working capital | 650 | 523 | 127 |
| Provisions and net deferred taxes | (659) | (579) | (80) |
| **Net Capital Employed** | **5,295** | **4,915** | **380** |
| Employee provisions | 446 | 506 | (60) |
| Shareholders' equity | 3,089 | 2,423 | 666 |
| *of which: attributable to minority interest* | *174* | *164* | *10* |
| Net financial debt | 1,760 | 1,986 | (226) |
| **Total financing and equity** | **5,295** | **4,915** | **380** |

**2021 CONSOLIDATED DISCLOSURE OF NON-FINANCIAL INFORMATION: IMPROVED ENVIRONMENTAL PERFORMANCE**

The Board of Directors approved the Consolidated Disclosure of Non-financial Information (DNF) complying with Legislative Decree 254/16, with specific regard to environmental, social and personnel aspect, respect for human rights and the fight against active and passive corruption.
The total economic value generated, namely the overall wealth created by the Group for all stakeholders, stood at €13,484 million in 2021 (€10,273 million in 2020)[4]. The creation of shareholder value is shown by the Total Shareholders' Return, which amounted to +196%, achieved since listing.
Environmental performance improved as a result of the efficiency actions undertaken:

- $CO_2$ 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).

[4] Formed by: Spending on Suppliers, Payment to Staff, Payment to Lenders, Payment to the Public Administration, Contributions to Communities.

Prysmian Group

## PROJECTS

- **ORGANIC GROWTH AND MARGINS IMPROVED. STRONG EXECUTION IN Q4**
- **RECORD €4.8 BN ORDERS SECURED, THANKS TO TECHNOLOGICAL LEADERSHIP AND OPERATING CAPABILITIES**
- **TESTS COMPLETED SUCCESSFULLY, CABLE PRODUCTION FOR THE GERMAN CORRIDORS STARTED**
- **SITE IN MASSACHUSETTS ACQUIRED FOR THE NEW SUBMARINE CABLE FACTORY IN THE US**

Sales in the Projects segment amounted to €1,594 million in 2021, with a +10.2% organic change compared to 2020, sharply accelerating in Q4, which posted a +34.7% organic growth. Adjusted EBITDA rose to €210 million (€186 million in 2020), slightly improving in terms of profitability: ratio of Adjusted EBITDA to sales at 13.2% compared to 13.0% in 2020.

The positive organic growth reported by the Projects segment was mainly attributable to the excellent execution of Submarine Power Cables projects in H2, and particularly in the last three months. The key projects under execution in the reporting period were the Crete-Peloponnese region and Crete-Attica interconnection projects in Greece; the link between Great Britain and Denmark (Viking Link); the offshore wind farm projects in France and in Germany (Dolwin5).

The Group took some key steps forward in the plan of a new submarine power cable plant in the United States. At beginning of 2022 the acquisition of a site in Massachusetts, a State intended to become a hub for the development of the offshore wind industry in the USA, was finalized.

In the High Voltage Underground Cables business, after successfully completing the qualification tests, the production of 525 kV P-Laser cables for the German Corridors was launched, with the manufacturing of the first 80 km of cables.

In 2021, the Group's technological leadership and execution capabilities allowed it to secure submarine and land cable projects for a total of approximately € 4.8 billion. At 31 December 2021, the Group's total order book was at a record €4.4 billion, considering exclusively the contracts for which the Notice to Proceed had already been issued. In the United States the group achieved a prominent position both in the offshore wind farm industry — through the acquisition of the Commonwealth Wind and Park City Wind projects — and in the high voltage underground sector with the SOO Green project.

(in millions of Euro)

| | 2021 | 2020 | Change % |
|---|---|---|---|
| **Sales** | **1,594** | 1,438 | 10.8% |
| % organic sales change | 10.2% | | |
| **Adjusted EBITDA** | **210** | 186 | 12.4% |
| % of sales | 13.2% | 13.0% | |

## ENERGY

- **ENERGY CONFIRMED ITS RESILIENCE. SOUND ORGANIC GROWTH AND STABLE MARGINS**
- **POSITIVE PERFORMANCE OF TRADE & INSTALLER; POWER DISTRIBUTION RECOVERED IN Q4 IN THE US**
- **OEM AND RENEWABLES ROSE SHARPLY IN THE INDUSTRIAL CABLES SEGMENT**

Sales of the Energy segment rose to €9,557 million (+10.7% organic change on 2020), also exceeding the 2019 pre-pandemic levels. Adjusted EBITDA stood at €546 million (€440 million in 2020), showing a strong resilience also in terms of profitability and with a ratio of Adjusted EBITDA to Sales of 5.7% (6.6% at 2020 metal prices) compared to 6.1% in 2020.

(in millions of Euro)

| | 2021 | 2020 | Change % |
|---|---|---|---|
| **Sales** | **9,557** | 7,207 | 32.6% |
| % organic sales change | 10.7% | | |
| **Adjusted EBITDA** | **546** | 440 | 24.1% |
| % of sales | 5.7% | 6.1% | |

### Energy & Infrastructure

Sales of the Energy & Infrastructure business amounted to €6,361 million, marking a positive organic change of +12.3% compared to 2020, mainly attributable to Trade & Installers' excellent performance, whereas Power Distribution recovered in Q4, triggered by US demand. Profitability remained stable, thanks to volume recovery and industrial efficiencies, as well as to the price rises and positive product mix that offset the increase in costs of most of commodities. Adjusted EBITDA was €356 million (€275 million in 2020), with a ratio to Sales at 5.6% (6.4% at 2020 metal prices).

### Industrial & Network Components

Industrial & Network Components sales amounted to €2,838 million, with a +8.4% organic change compared to 2020. Adjusted EBITDA was €196 million (€166 million in 2020), with a good margin resilience (ratio to sales at 6.9% compared to 7.4% in 2020; 7.8% at 2020 metal prices). In the Specialties market, the Group reported a positive organic growth and good profitability. With regard to Elevators, the acquisition of EHC in January 2021 enabled the Group to complement its portfolio with vertical mobility solutions. The Automotive business reported a positive organic growth in all geographical areas, recovering both volumes and profitability, as it had done as of the fourth quarter of 2020. The Network Components business area recovered to pre-Covid-19 levels, mainly driven by the European medium voltage segment.

## TELECOM

- **STRONG ORGANIC GROWTH, MAINLY THANKS TO THE US MARKET**
- **ACCELERATION OF TECHNOLOGICAL INNOVATION THANKS TO THE NEW GENERATION OF MINIATURISED OPTICAL CABLES FOR FTTX AND 5G NETWORKS**

Sales of the Telecom segment amounted to €1,585 million, with an organic change of +12.7%. Adjusted EBITDA was €220 million (€214 million in 2020), with a ratio of Adjusted EBITDA to Sales at 13.9% compared to 15.6% in 2020 (14.1% at 2020 metal prices).

Organic growth was chiefly attributable to the recovery of the fibre optic cable demand in North America, although positive signs were also recorded in South Europe. In terms of profitability, the cost containment and efficiency-building measures, along with the product mix, allowed to partially mitigate the impact of price pressure.

In Europe, the destocking policy launched by the main European players in 2020 was replaced by a gradual volume recovery.

With regards to technological innovation, it should be noted that the new generation of miniaturised bend-sensitive optical cables using BendBrightXS 180μm fibre was launched. It is a record cable in terms of fibre density and small diameter, specially designed for FTTx and 5G networks.

The high value-added market segment of optical connectivity accessories continued to perform well, fuelled by the development of new FTTx networks (last mile broadband access), in particular in Great Britain.

The Multimedia Solutions business showed a positive organic growth due to the volume recovery in the North American market.

(in millions of Euro)

| | 2021 | 2020 | Change % |
|---|---|---|---|
| **Sales** | **1,585** | 1,371 | 15.6% |
| % organic sales change | 12.7% | | |
| **Adjusted EBITDA** | **220** | 214 | 2.9% |
| % of sales | 13.9% | 15.6% | |

## PERFORMANCE BY GEOGRAPHICAL AREA: EXCELLENT PERFORMANCE IN LATAM, RECOVERY OF ENERGY AND TELECOM IN EMEA, SOLID TREND OF THE T&I BUSINESS IN NORTH AMERICA (*)

***EMEA***
Sales in the EMEA area amounted to €5,272 million in 2021, with a +9.3% organic change. Adjusted EBITDA was €265 million (compared to €197 million in 2020). Adjusted EBITDA ratio to sales was 5% (5.3% considering 2020 metal prices) compared to 4.8% in 2020. These results were attributable to the recovery witnessed by the Energy (above all in the Trade & Installers business) and Telecom segments. Industrial & Network Components grew sharply, driven by Renewables (+21.7%).

***North America***
Sales in this area in 2021 amounted to €3,808 million, with a +10.2% organic change compared to the previous year. Adjusted EBITDA stood at €336 million (€345 million in 2020), negatively impacted by an unfavourable exchange rate trend for €11 million. The Adjusted EBITDA ratio to sales was 8.8% (10.3% at 2020 metal prices), compared to 11.4% for the previous year. The T&I and Renewables business recorded a solid trend. In Q4 the Power Distribution business recovered after being impacted by the rise in raw material prices in the first nine months of the year.

***LatAm***
Sales of the LatAm area totalled €1,060 million, with a +23.8% organic change. Adjusted EBITDA stood at €99 million (€64 million in 2020), with a ratio of Adjusted EBITDA to Sales at 9.4% (11.8% considering the metal price of 2020) compared to 8.9% in 2020. Performance was excellent, mainly thanks to Construction and Renewables. The Adjusted EBITDA improvement was also attributable to the T&I business.

***Asia Pacific***
Sales in Asia Pacific amounted to €1,002 million in 2021, with a +9.6% organic change. Adjusted EBITDA was €66 million (€48 million in 2020), with a positive impact of exchange rates for € million. The ratio of Adjusted EBITDA to sales was 6.6% (7.4% considering the metal price of 2020) compared to 6.4% in the previous year. The robust results were due to the contribution of China.

(in millions of Euro)

| | Sales | | Adjusted EBITDA | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| EMEA | 5,272 | 4,097 | 265 | 197 |
| North America | 3,808 | 3,016 | 336 | 345 |
| Central-South America | 1,060 | 723 | 99 | 64 |
| Asia and Oceania | 1,002 | 742 | 66 | 48 |
| **Total (excluding Projects)** | **11,142** | **8,578** | **766** | **654** |
| Projects | 1,594 | 1,438 | 210 | 186 |
| **Total** | **12,736** | **10,016** | **976** | **840** |

(*) Data by geographical area are stated excluding the Projects segment.

**FURTHER BOARD OF DIRECTORS' RESOLUTIONS**

**Notice of Calling of Annual General Meeting and proposed dividend distribution**
The Board of Directors resolved to call the Ordinary and Extraordinary Shareholder' Meeting for Tuesday, 12 April 2022 (single call).
Based on the results for 2021, the Board of Directors will recommend to the forthcoming AGM that a dividend of €0.55 per share be distributed, involving a total pay-out of approximately €145 million. If approved, the dividend will be paid out from 21 April 2022, with record date on 20 April 2022 and ex-dividend date on 19 April 2022.
The AGM will also resolve upon, *inter alia*, the appointment of the Board of Statutory Auditors and the remuneration of the members of the Board of Statutory Auditors, by means of a list voting mechanism, on the basis of the proposals to be submitted by those entitled to vote.

**Plan for the assignment of shares to group employees**
Having heard the favourable opinion of the Remuneration and Nomination Committee, the Board of Directors resolved to submit for approval to the General Shareholders' Meeting, pursuant to Article 114-*bis*, paragraph 1, of Legislative Decree 58/98, a share-based plan reserved for employees of Prysmian and Prysmian Group companies who are not involved in the current annual or long-term individual incentive schemes (potentially more than 25,000 blue and white collar workers).
The plan, which will be implemented over a three-year period and will be the subject of consultation with the relevant trade union representatives at local level (where required), is configured as a portion of variable remuneration linked to earnings growth and paid out in the form of equity, with the aim of gradually increasing the already significant proportion of employed personnel who are also shareholders of the company, currently around 35%. At the heart of this initiative is inclusion and sharing, an effort to involve the workforce in the creation of value the Group intends to achieve in the coming years, by leveraging the accelerated pace towards energy transition and digital transformation. Last but not least, it is also the ambition to increase the engagement, trust and loyalty of the workforce to the Company, amid difficult conditions that at times are affecting several of our target markets. The plan provides for the assignment of ordinary shares of the Company to the participants free of charge, at the terms and conditions envisaged by the Plan and described in the information document required by Article 84-*bis* of Consob Regulation No. 11971/99, which will be made public within the established time limits. The shares under the plan are expected to originate from a capital increase to be carried out using profits or retained earnings, pursuant to Article 2349 of the Italian Civil Code, as well as possibly treasury shares. Considering the potential participants in the Plan, this is not to be considered "of special importance" pursuant to the aforementioned Article 84-*bis*, paragraph 2, of Consob Regulation.

**Capital increases to cover share-based plans in favour of Prysmian Group employees**
The Board of Directors resolved to submit a proposal to the extraordinary session of the Shareholders' Meeting for a share capital increase of a maximum amount of €300,000.00; the increase is to be effected by issuing, also in several tranches, a maximum of 3,000,000 new ordinary shares with a nominal value of €0.10, to be assigned free of charge, by allocating, pursuant to Article 2349 of the Italian Civil Code, a corresponding amount from the "Reserve for share issues pursuant to Article 2349 of the Italian Civil Code", to employees of Prysmian S.p.A. and Prysmian Group companies, who are beneficiaries of the approved plan for the assignment of shares that will be submitted for approval to the same Shareholders' Meeting in ordinary session.
However, in order to keep the total number of new shares to be issued under employee share-based plans unchanged, the Board of Directors resolved to submit to the extraordinary session of the Shareholders' Meeting also a reduction in the capital increase covering the 2020-2022 incentive plan, already approved by the Shareholders' Meeting on 28 April 2020, from the current maximum nominal amount of €1,100.000.00, (corresponding to 11,000,000 new ordinary shares), to a maximum nominal amount of €800,000.00 (corresponding to 8,000,000 new ordinary shares).

**Share buy-back plan**
The Board of Directors decided to submit to the forthcoming AGM a request for the authorisation to buy back and dispose of treasury shares. The authorisation requested establishes that the total number of shares that can be purchased, in one or more tranches, cannot exceed the 10% of the share capital at any time. Treasury shares may be purchased within the limits of available reserves recognised from time to time in the most recently approved annual financial statements. The plan has a maximum term of 18 months, commencing from the date of authorisation by the AGM.
The said authorisation will be requested to:

a) create the Company's portfolio of treasury shares (so-called "stock of shares") that can be used in any extraordinary transactions (e.g., mergers, de-mergers, purchase of equity investments) and to implement the remuneration policies approved by the Shareholders' Meeting and adopted by Prysmian Group;
b) use the treasury shares acquired by exercising the rights ensuing from debt instruments, whether convertible or exchangeable for financial instruments issued by the Company, its subsidiaries or third-parties (e.g., takeover bids and/or share swaps);
c) dispose of own shares in service of share-based incentive plans or share ownership plans reserved for Prysmian Group's directors and/or employees;
d) ensure effective management of the Company's share capital, by creating investment opportunities also on the basis of available liquidity.

The buy-back and disposal of treasury shares will be performed in compliance with applicable laws and regulations in force:

i. at a minimum price of no more than 10% below the stock's official price during the trading session on the day before each transaction is undertaken;
ii. at a maximum price of no more than 10% above the stock's official price during the trading session on the day before each individual transaction is undertaken.

At today's date, Prysmian S.p.A. directly and indirectly holds 4,652,868 treasury shares.
All relevant documentation required under applicable regulations will be made available to shareholders and the public in the manner and within the terms set forth by applicable laws and regulations.

**Bonds**

- On 25 January 2021, the Board of Directors resolved to place the *equity-linked* bond known as "*Prysmian S.p.A. €750 million Equity Linked Bonds due 2026*". The Shareholders' Meeting of 28 April 2021 approved the convertibility of the aforementioned bond;
- The *unrated* 7-year bond placed with institutional investors on 30 March 2015 for a total nominal amount of €750 million will mature on 11 April 2022.

## OUTLOOK

During 2021, there was a noticeable recovery in the global economy following the easing of pandemic-related restrictions in the wake of accelerated vaccination campaigns. The recovery was also supported by national plans to support the development of infrastructure projects, energy transition and digitalisation. The strong recovery in economic activity was accompanied by significant inflation pressures, mainly driven by rising energy and commodity prices and continuing disruptions in supply chains. Towards the end of 2021, some central banks showed confidence in the economic recovery and began withdrawing some monetary stimulus measures, also with a view to containing rising inflation.

After a 3.1% contraction in 2020, the global economy is expected to grow by 5.9% in 2021 and 4.4% in 2022 according to most recent estimates from the International Monetary Fund. Although there are positive economic growth expectations for the future, a number of short-term uncertainties persist, not least in the face of persistent inflationary pressures fuelled by disruptions in supply chains, rising commodity and energy prices, and developments of the pandemic. Growing geopolitical tensions in Ukraine are a further element of instability.

The results for FY 2021 testify to the Prysmian Group's focus on proactively and seamlessly serving its customers and efficiently managing its industrial footprint. This is evidenced by the results achieved by the Energy business, which exceeded pre-pandemic levels, with a significant improvement in margins when excluding the effect of higher metal prices on revenues, and by the record amount of approximately €4.8 billion of new orders awarded in 2021 to the Projects business.

This favourable trend is seemingly continuing at the outset of 2022. For the full year 2022 Prysmian Group expects moderate demand growth in the construction and industrial cables businesses after last year's excellent performance, with earnings also supported by the ability to implement pricing policies to contain inflation-driven cost pressures.

In the high voltage underground and submarine cables and systems business, the Group aims to confirm its leadership on the market which is expected to show strong growth, driven by the development of offshore wind farms and interconnections to support the energy transition, as well as the start of a trend of significant market growth in the United States,  where the Group has decided to expand its production capacity of submarine cables. For this segment, the Group expects results to be up on the previous year, thanks to a solid order book and increased capacity utilisation in the submarine cable business. In the Telecom segment, the Group expects volumes to grow in the optical business, amid a challenging competitive environment, especially in Europe.

Prysmian Group's long-term growth drivers are confirmed, mainly linked to the energy transition, the strengthening of telecommunications networks (digitalisation) and the electrification process. The Group can also leverage its broad business and geographical diversification, solid capital structure, efficient and flexible supply chain and lean organisation, all of which is enabling it to effectively seize growth opportunities.

In light of the above considerations, the Group expects to achieve Adjusted EBITDA in the range of €1,010-1,080 million in 2022, a significant improvement on the €976 million reported in 2021. In addition, the Group expects to generate cash flows of approximately €400 million ± 15% (FCF before acquisitions and disposals) for FY 2022.

These forecasts do not include any negative impacts resulting from the military conflict in Ukraine and assume no major changes will occur in the evolution of the health emergency and, consequently, no further disruptions and slowdowns in global economic activity. In addition, the higher part of the range of Adjusted EBITDA and cash flow targets is based on the assumption of a stability of the current favourable market conditions, especially in the United States. Moreover, the forecasts are based on the Company's current business scope, on a EUR/USD exchange rate of 1.15, and do not include impacts on cash flow related to Antitrust issues.

*The Draft Financial Statements of Prysmian S.p.A. and the Consolidated Financial Statements at 31 December 2021 approved today by the Board of Directors will be made available to the public by the terms and conditions provided for by applicable law in force at the Company's registered office in Via Chiese 6, Milan. They will also be made available, by the same terms and conditions, on the corporate website www.prysmiangroup.com, on the website of Borsa Italiana S.p.A www.borsaitaliana.it, and in the authorised central storage mechanism used by the Company at www.emarketstorage.com. This document may contain forward-looking statements relating to future events and future operating, economic and financial results of Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual results may differ materially from those reflected in forward-looking statements due to a variety of factors. The managers responsible for preparing corporate accounting documents (Stefano Invernici and Alessandro Brunetti) hereby declare, pursuant to Article 154-bis, paragraph 2 of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.*

*EBITDA means the operating result gross of the effect of the change in the fair value of derivatives on raw material prices, other items measured at fair value, amortization, depreciation and write-downs. The function of this indicator is to present the Group's operating profitability situation before the main non-monetary items. Adjusted EBITDA means the EBITDA described above calculated before charges and income relating to corporate reorganizations, charges and income considered to be of a non-recurring nature as indicated in the consolidated income statement and other non-operating income and expenses. The function of this indicator is to present a situation of operating profitability of the Group before the main non-monetary items, without the economic effects of events considered unrelated to the current management of the Group itself;*

The results at 31 December 2021 will be presented to the financial community during a conference call to be held today at 16:00 CEST, a recording of which will be subsequently made available on the Group's website: www.prysmiangroup.com. The documentation used during the presentation will be available today in the Investor Relations section of the Prysmian website at www.prysmiangroup.com and can be viewed on the Borsa Italiana website www.borsaitaliana.it and in the central storage mechanism at www.emarketstorage.com.

**Prysmian Group**
Prysmian Group is world leader in the energy and telecom cable systems industry. With 140 years of experience, sales of over €12 billion, about 30,000 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 businesses of underground and submarine cables and systems for power transmission and distribution, of special cables for applications in many different industries and of medium and low voltage cables for the construction and infrastructure sectors. For the telecommunications industry, the Group manufactures cables and accessories for voice, video and data transmission, offering a comprehensive range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Italian Stock Exchange in the FTSE MIB index.

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## ANNEX A

### Consolidated Statement of Financial Position

| (in millions of Euro) | 31 December 2021 | 31 December 2020 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 2,794 | 2,648 |
| Goodwill | 1,643 | 1,508 |
| Other intangible assets | 494 | 489 |
| Equity-accounted investments | 360 | 312 |
| Other investments at fair value through other comprehensive income | 13 | 13 |
| Financial assets at amortised cost | 3 | 4 |
| Derivatives | 105 | 44 |
| Deferred tax assets | 182 | 207 |
| Other receivables | 34 | 30 |
| **Total non-current assets** | **5,628** | **5,255** |
| **Current assets** | | |
| Inventories | 2,054 | 1,531 |
| Trade receivables | 1,622 | 1,374 |
| Other receivables | 627 | 492 |
| Financial assets at fair value through income statement | 244 | 20 |
| Derivatives | 128 | 82 |
| Financial assets at fair value through other comprehensive income | 11 | 11 |
| Cash and cash equivalents | 1,702 | 1,163 |
| **Total current assets** | 6,388 | **4,673** |
| Assets held for sale | - | 2 |
| **Total assets** | **12,016** | **9,930** |
| **Equity** | | |
| Share capital | 27 | 27 |
| Reserves | 2,580 | 2,054 |
| Net result attributable to the Group | 308 | 178 |
| **Equity attributable to the Group** | **2,915** | **2,259** |
| Share capital and reserves attributable to non-controlling interests | 174 | 164 |
| **Total equity** | **3,089** | **2,423** |
| **Non-current liabilities** | | |
| Borrowings from banks and other lenders | 2,606 | 3,045 |
| Employee benefit obligations | 446 | 506 |
| Provisions for risks and charges | 46 | 39 |
| Deferred tax liabilities | 188 | 195 |
| Derivatives | 26 | 13 |
| Other payables | 6 | 6 |
| **Total non-current liabilities** | **3,318** | **3,804** |
| **Current liabilities** | | |
| Borrowings from banks and other lenders | 1,123 | 127 |
| Provisions for risks and charges | 607 | 552 |
| Derivatives | 42 | 46 |
| Trade payables | 2,592 | 1,958 |
| Other payables | 1,191 | 995 |
| Current tax payables | 54 | 25 |
| **Total current liabilities** | **5,609** | **3,703** |
| Liabilities held for sale | - | - |
| **Total liabilities** | **8,927** | **7,507** |
| **Total equity and liabilities** | **12,016** | **9,930** |

## Consolidated Income Statement

(in millions of Euro)

| | 2021 | 2020 |
|---|---|---|
| Sales | 12,736 | 10,016 |
| Change in inventories of finished goods and work in progress | 229 | 69 |
| Other income | 125 | 99 |
| **Total sales and income** | **13,090** | **10,184** |
| Raw materials, consumables used and goods for resale | (8,906) | (6,464) |
| Fair value change in metal derivatives | 13 | (4) |
| Personnel costs | (1,486) | (1,409) |
| Amortisation, depreciation, impairment and impairment reversal | (335) | (393) |
| *Other expenses* | (1,831) | (1,579) |
| Share of net profit/(loss) of equity-accounted companies | 27 | 18 |
| **Operating income** | **572** | **353** |
| Finance costs | (785) | (569) |
| Finance income | 689 | 468 |
| **Result before taxes** | **476** | **252** |
| Taxes | (166) | (78) |
| **Net Result** | **310** | **174** |
| Of which: | | |
| attributable to non-controlling interests | 2 | (4) |
| **attributable to the Group** | **308** | **178** |
| | | |
| **Basic earnings/(loss) per share (in Euro)** | 1.17 | **0.68** |
| **Diluted earnings/(loss) per share (in Euro)** | 1.17 | **0.68** |

## Consolidated Statement of Comprehensive Income

| (in millions of Euro) | 2021 | 2020 |
|---|---|---|
| **Net profit/(loss)** | **310** | **174** |
| Other comprehensive income: | | |
| **A) Change in cash flow hedge reserve:** | **63** | **55** |
| - Profit/(loss) for the year | 83 | 78 |
| - Taxes | (20) | (23) |
| **B) Change in currency translation reserve** | **292** | **(358)** |
| **C) Actuarial gains/(losses) on employee benefits (*):** | **51** | **(19)** |
| - Profit/(loss) for the year | 60 | (28) |
| - Taxes | (9) | 9 |
| **Total other comprehensive income (A+B+C):** | **406** | **(322)** |
| **Total comprehensive income/(loss)** | **716** | **(148)** |
| Of which: | | |
| Attributable to non-controlling interests | 13 | (20) |
| ***Group share*** | **703** | **(128)** |

(*) The Statement of Comprehensive Income items which cannot be restated in the net result of the year in subsequent periods

Prysmian Group

## Consolidated Statement of Cash Flows

| | (in millions of Euro) | 2021 | 2020 |
|---|---|---|---|
| | Profit/(loss) before taxes | 476 | 252 |
| | Amortisation, depreciation and impairment | 335 | 393 |
| | Net gains on disposal of property, plant and equipment | (2) | (20) |
| | Share of net profit/(loss) of equity-accounted companies | (27) | (18) |
| | Dividends received from equity-accounted companies | 8 | 8 |
| | Share-based payments | 33 | 31 |
| | Fair value change in metal derivatives | (13) | 4 |
| | Net finance costs | 96 | 101 |
| | Changes in inventories | (449) | (101) |
| | Changes in trade receivables/payables | 398 | 13 |
| | Changes in other receivables/payables | 23 | 347 |
| | Change in employee benefit obligations | (15) | (13) |
| | Change in provisions for risks and other movements | 34 | (150) |
| | Net income taxes paid | (120) | (142) |
| **A.** | **Cash flow from operating activities** | **777** | **705** |
| | Cash flow from acquisitions and/or disposals | (85) | (5) |
| | Investments in property, plant and equipment | (258) | (240) |
| | Disposals of property, plant and equipment | 8 | 9 |
| | Investments in intangible assets | (25) | (22) |
| | Investments in financial assets at fair value through profit or loss | (224) | (3) |
| | Disposals of financial assets at fair value through profit or loss | - | 2 |
| | Disposals of financial assets at amortised cost | 2 | - |
| | Divestment of associates | - | 9 |
| **B.** | **Cash flow from investing activities** | **(582)** | **(250)** |
| | Capital contributions and other changes in equity | 1 | 1 |
| | Dividend distribution | (134) | (70) |
| | Proceeds of new loans | 844 | - |
| | Repayments of loans | (269) | (117) |
| | Changes in other net financial receivables/payables | (28) | (53) |
| | Net finance costs paid | (79) | (86) |
| **C.** | **Cash flow from financing activities** | **335** | **(325)** |
| **D.** | **Exchange (losses) gains on cash and cash equivalents** | **8** | **(36)** |
| **E.** | **Net increase/(decrease) in cash and cash equivalents (A+B+C+D)** | **538** | **94** |
| **F.** | **Cash and cash equivalents at the beginning of the year** | **1,164** | **1,070** |
| **G.** | **Cash and cash equivalents at the end of the year (E+F)** | **1,702** | **1,164** |
| | **Cash and cash equivalents presented in consolidated statement of financial position** | **1,702** | **1,163** |
| | **Cash and cash equivalents presented in assets held for sale** | **-** | **1** |

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**ANNEX B**

**Reconciliation table between Net result, EBITDA and adjusted EBITDA of the Group**

| (in millions of Euro) | 2021 | 2020 |
|---|---|---|
| Net result | 310 | 174 |
| Taxes | 166 | 78 |
| Finance income | (689) | (468) |
| Finance costs | 785 | 569 |
| Amortisation, depreciation, impairment and impairment reversal | 335 | 393 |
| Fair value change in metal derivatives | (13) | 4 |
| Fair value change in stock options | 33 | 31 |
| **EBITDA** | **927** | **781** |
| | | |
| Company reorganization | 21 | 32 |
| Non-recurring expenses/(income) | 2 | 9 |
| Other non-operating expenses/(income) | 26 | 18 |
| **Total adjustments to EBITDA** | 49 | 59 |
| | | |
| **Adjusted EBITDA** | **976** | **840** |

## Statement of Cash Flows with reference to change in net financial position

(in millions of Euro)

| | 2021 | 2020 | Change |
|---|---|---|---|
| **EBITDA** | **927** | **781** | **146** |
| Changes in provisions (including employee benefit obligations) and other movements | 19 | (163) | 182 |
| Net gains on disposal of property, plant and equipment and intangible assets | (2) | (20) | 18 |
| Share of net profit/(loss) of equity-accounted companies | (27) | (18) | (9) |
| **Net cash flow from operating activities (before changes in net working capital)** | **917** | **580** | **337** |
| Changes in net working capital | (28) | 259 | (287) |
| Taxes paid | (120) | (142) | 22 |
| Dividends from investments in equity-accounted companies | 8 | 8 | - |
| **Net cash flow from operating activities** | **777** | **705** | **72** |
| Cash flow from acquisitions and/or disposals | (93) | (5) | (88) |
| Net cash flow used in operating investing activities | (275) | (244) | (31) |
| **Free cash flow (unlevered)** | **409** | **456** | **(47)** |
| Net finance costs | (79) | (86) | 7 |
| **Free cash flow (levered)** | **330** | **370** | **(40)** |
| Dividend distribution | (134) | (70) | (64) |
| Capital contributions and other changes in equity | 1 | 1 | - |
| **Net cash flow provided/(used) in the year** | **197** | **301** | **(104)** |
| **Opening net financial debt** | **(1,986)** | **(2,140)** | **154** |
| Net cash flow provided/(used) in the year | 197 | 301 | (104) |
| Equity component of Convertible Bond 2021 | 49 | - | 49 |
| Partial redemption of Convertible Bond 2017 | (13) | - | (13) |
| Increase in net financial debt for IFRS 16 | (63) | (79) | 16 |
| Net financial debt from Acquisitions and Disposals | 8 | - | 8 |
| Other changes | 48 | (68) | 116 |
| **Closing net financial debt** | **(1,760)** | **(1,986)** | **226** |

ANNEX C

**Statement of financial position of Prysmian S.p.A.**

(in Euro)

| | 31 December 2021 | 31 December 2020 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 91,073,444 | 89,631,033 |
| Intangible assets | 126,838,617 | 124,589,988 |
| Investments in subsidiaries | 5,719,976,842 | 5,367,293,696 |
| Derivatives | - | - |
| Deferred tax assets | 9,400,192 | 12,810,200 |
| Other receivables | 96,529,880 | 43,431,004 |
| **Total non-current assets** | **6,043,818,975** | **5,637,755,921** |
| **Current assets** | | |
| Trade receivables | 224,766,271 | 180,704,286 |
| Other receivables | 110,065,881 | 89,695,930 |
| Financial assets at fair value through profit or loss | 199,608,525 | - |
| Derivatives | 55,257 | 302,523 |
| Cash and cash equivalents | 100,097,408 | 250,108 |
| **Total current assets** | **634,593,342** | **270,952,847** |
| **Total assets** | **6,678,412,317** | **5,908,708,768** |
| **Equity:** | | |
| Share capital | 26,814,425 | 26,814,425 |
| Reserves | 2,129,080,464 | 2,101,692,394 |
| Net result | 138,966,969 | 80,476,123 |
| **Total equity** | **2,294,861,858** | **2,208,982,942** |
| **Non-current liabilities** | | |
| Borrowings from banks and other lenders | 2,455,672,985 | 2,904,536,317 |
| Employee benefit obligations | 7,283,947 | 7,253,442 |
| Derivatives | 2,547,820 | 12,293,989 |
| Other payables | 281,059 | 3,610 |
| **Total non-current liabilities** | **2,465,785,811** | **2,924,087,358** |
| **Current liabilities** | | |
| Borrowings from banks and other lenders | 1,021,702,243 | 31,021,591 |
| Provisions for risks and charges | 37,771,967 | 26,482,257 |
| Derivatives | 6,800,066 | 6,716,797 |
| Trade payables | 562,306,414 | 421,106,006 |
| Other payables | 276,213,575 | 290,311,817 |
| Current tax payables | 12,970,383 | - |
| **Total current liabilities** | **1,917,764,648** | **775,638,468** |
| **Total liabilities** | **4,383,550,459** | **3,699,725,826** |
| **Total equity and liabilities** | **6,678,412,317** | **5,908,708,768** |

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**Income statement of Prysmian S.p.A.**

(in Euro)

| | 2021 | 2020 |
|---|---|---|
| Sales and Other incomes | 292,852,059 | 193,552,757 |
| Raw materials, consumables used and goods for resale | (7,000,417) | (4,439,240) |
| Fair value change in metal derivatives | (242.806) | 262,027 |
| Personnel costs | (64,151,494) | (61,447,854) |
| Amortisation, depreciation, impairment and impairment reversal | (29,637,006) | (22,893,075) |
| Other expenses | (165,100,130) | (117,276,040) |
| **Operating income** | **26,720,206** | **(12,241,425)** |
| Finance costs | (80,112,904) | (73,922,837) |
| Finance income | 65,562,750 | 45,877,165 |
| Dividends from subsidiaries | 153,550,924 | 144,441,360 |
| (Impairment)/Reversal of impairment of investments | (5,000,000) | (32,500,000) |
| **Result before taxes** | **160,720,976** | **71,654,263** |
| Taxes | (21,754,007) | 8,821,860 |
| **Net result** | **138,966,969** | **80,476,123** |

Prysmian Group

## Statement of Comprehensive Income of Prysmian S.p.A.

(in thousand Euro)

| | 2021 | 2020 |
|---|---|---|
| **Net result** | **138,967** | **80,476** |
| **Other components of comprehensive income/(loss) for the year:** | | |
| **A) Change in the Cash Flow Hedge reserve:** | **7,427** | **2,252** |
| - Gross of tax | 9,773 | 2,964 |
| - Tax effect | (2,346) | (711) |
| **B) Actuarial gains/(losses) on employee benefits (*):** | **(230)** | **(86)** |
| - Gross of tax | (303) | (113) |
| - Tax effect | 73 | 27 |
| **Total other components of comprehensive income/(loss) for the year (A+B)** | **7,197** | **2,166** |
| | | |
| **Total comprehensive result** | **146,164** | **82,643** |

(*) Statement of Comprehensive Income items that cannot be restated in net result for the year in subsequent periods.

Prysmian Group



## Statement of cash flows of Prysmian S.p.A.

(in Euro)

| | 2021 | 2020 |
|---|---|---|
| Result before taxes | 160,720,976 | 71,654,263 |
| Depreciation and impairment | 29,637,006 | 22,893,076 |
| Impairment/(Reversal) of impairment of investments | 5,000,000 | 32,500,000 |
| Net gains on disposal of non-current assets | - | 2,227 |
| Dividends | (153,550,924) | (144,441,360) |
| Share-based payments | 9,440,001 | 7,116,491 |
| Fair value change in metal derivatives | 242,806 | (262,027) |
| Net finance costs | 14,550,154 | 28,045,672 |
| Changes in trade receivables/payables | 97,325,164 | 36,798,461 |
| Changes in other receivables/ payables | 26,271,800 | (7,010,087) |
| Change in the provision for employee benefit obligations | (306,491) | 46,729 |
| Change in the provisions and other movements | (440,546) | 4,605,302 |
| Net income taxes collected/(paid) | 800,700 | 21,387,992 |
| **Net cash flow provided from operating activities** | **189,690,646** | **73,336,739** |
| Investments in property, plant and equipment | (2,730,578) | (3,543,445) |
| Disposals of property, plant and equipment | - | - |
| Investments in intangible assets | (20,831,017) | (21,206,588) |
| Disposals of intangible assets | - | 1,200,000 |
| Investments in financial assets at fair value through profit or loss | (200.000.000) | - |
| Investments in subsidiaries | (355,000,000) | (110,000,000) |
| Dividends received | 121,500,004 | 123,000,000 |
| **Net cash flow provided from investing activities** | **(457,061,591)** | **(10,550,033)** |
| Capital contributions and other changes in equity | - | (132,710) |
| Dividend distribution | (131,067,383) | (65,815,938) |
| Sale of treasury shares | 1,029,405 | 921,046 |
| Proceeds of new loans | 75,000,000 | - |
| Repayment of loans | (8,333,333) | (116,667,000) |
| Redemption of bonds | (261,000,000) | - |
| Proceeds of new bonds | 768,750,000 | - |
| Changes in net financial receivables/payables | (58.032.601) | 131,449,964 |
| Finance costs paid | (83,576,851) | (57,963,571) |
| Finance income received | 64,449,008 | 45,609,054 |
| **Net cash flow provided from financing activities** | **367,218,245** | **(62,599,155)** |
| **Total cash flow of the period (A+B+C)** | **99,847,300** | **187,551** |
| **Net cash and cash equivalents at the beginning of the year** | **250,108** | **62,557** |
| **Net cash and cash equivalents at the end of the year (D+E)** | **100,097,408** | **250,108** |

| | |
|---|---|
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