



Acquisition of Encore Wire

15 April 2024

A photograph of a modern building facade with a large, 3D 'prysmian' logo mounted on it. The building has a grid-like pattern of panels. In the background, a taller glass skyscraper with the Prysmian logo is visible against a clear sky. The foreground shows some greenery and a paved area.

prysmian

TRANSACTION HIGHLIGHTS

Key Terms of the Transaction

- Executed merger agreement to acquire 100% of the outstanding shares of Encore Wire for a cash consideration of \$290.00 per share
- Transaction Enterprise Value: ~€3.9bn¹ (c.8.2x 2023 EBITDA² / c.6.3x 2023A EBITDA including synergies²)
- Estimated closing in H2 2024, subject to Encore Wire's shareholders approval, regulatory approvals and customary closing conditions

Strategic Rationale & Value Creation

- Complementary product portfolio, and highly verticalized operations (upstream and downstream)
- Increased exposure to North America, thus enhancing geography and business footprint
- ~€140m run-rate pre-tax annual EBITDA synergies expected to be generated within 4 years from Closing
- 2023 Pro-forma for the Transaction: Prysmian revenues of c.€17.7bn and Adj. EBITDA of €2.1bn³

Financial Impacts

- Financed by a combination of cash on Prysmian's Balance Sheet (€1.1bn) and newly committed debt facilities (€3.4bn)
- ~30% EPS accretive including run-rate synergies⁴, ~20% EPS⁴ accretive pre-synergies

ENCORE WIRE AT A GLANCE

PURE-PLAY WIRE AND CABLE

- Leading US manufacturer of electric building wire, headquartered in McKinney, TX (US)
- Founded in 1989, and employed 1,629 as of December 31, 2023
- Single site¹ production and distribution facility in Texas (US)
- Vertically integrated upstream and downstream supply chain
- Main customers are distributors

ATTRACTIVE KEY VERTICALS



STRONG FINANCIAL PROFILE

2023A

2.6 \$Bn

Net Sales

517 \$M

EBITDA

20%

EBITDA margin

~ 70%

Cash conversion²

ENCORE WIRE HIGHLY COMPLEMENTARY TO PRYSMIAN'S STRATEGY

Exposure to
North America

Increase **presence in North America**

Operational Efficiency
& Best-in-Class Service

Leverage Encore Wire's operational efficiency and **best-in-class service** across Prysmian's portfolio

Product
Complementarity

Broaden product offering enabling the combined company to better address customers' needs in North America

Highly Synergistic

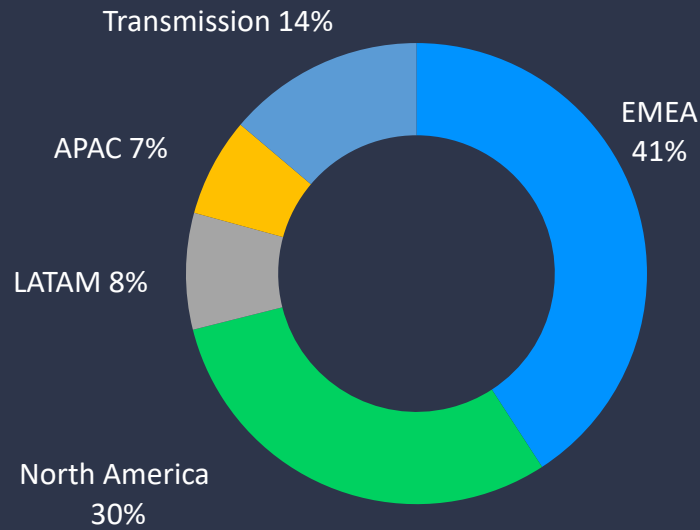
Generate ~€140m run-rate EBITDA synergies
expected within 4 years from closing

INCREASED EXPOSURE TO NORTH AMERICA

2023A Sales by Geography



PRO FORMA COMBINED

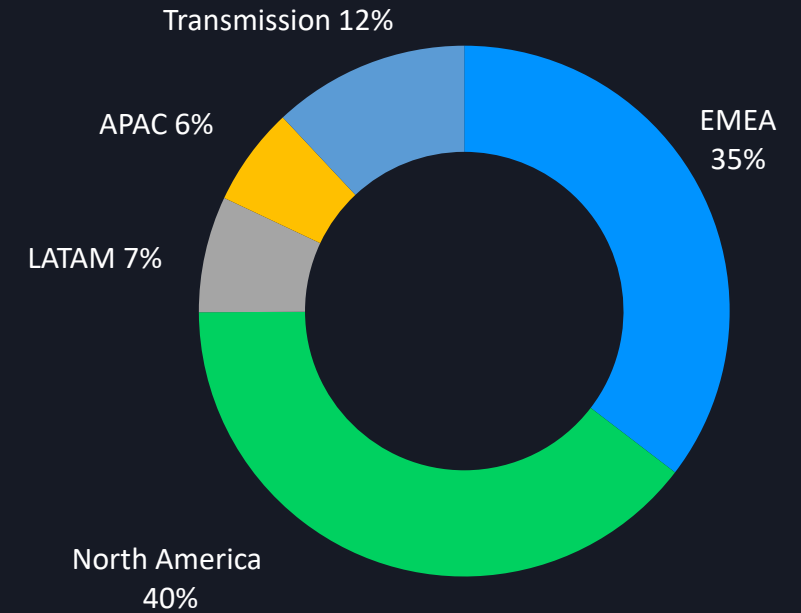


€15.4bn



North America
100%

€2.4bn



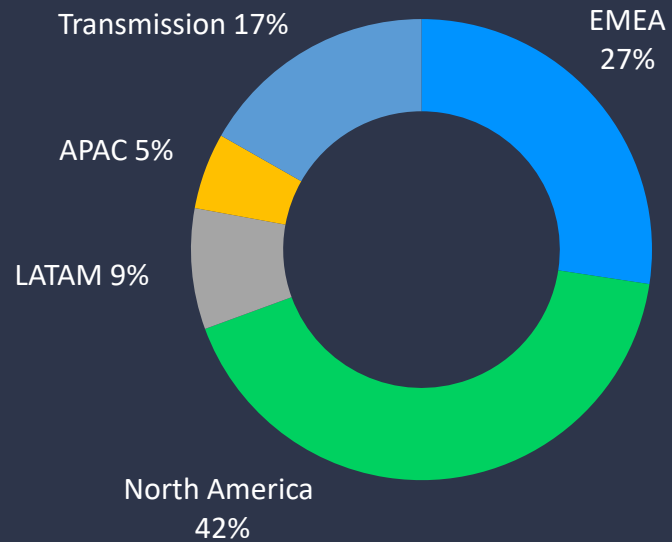
€17.7bn

INCREASED EXPOSURE TO NORTH AMERICA

2023A EBITDA by Geography (Adj. EBITDA / Margin)



PRO FORMA COMBINED



€1.6bn

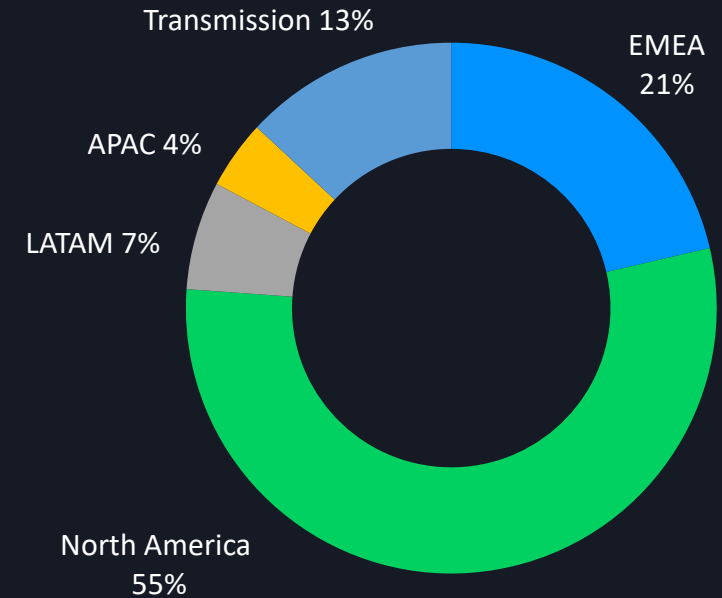
10.6%



North America
100%

€0.5bn

20.1%



€2.1bn

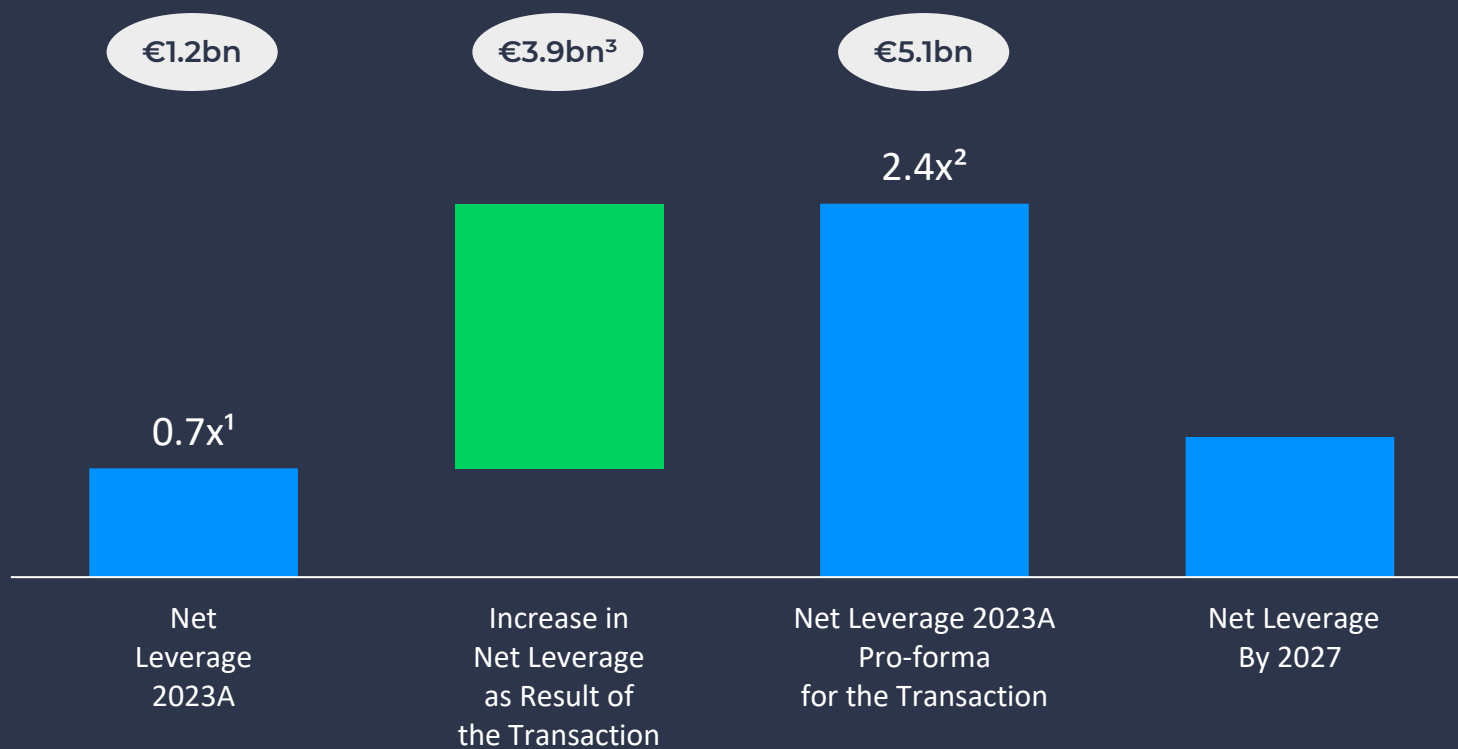
11.9%

12.4%
Margin
incl. RR
Syn.

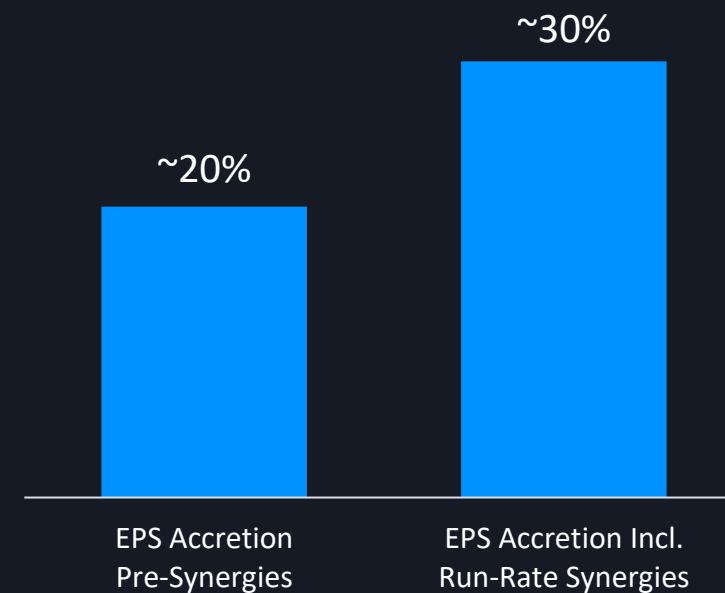
SOLID BALANCE SHEET WITH ACCELERATED DELEVERAGE

Transaction Accretive from Day 1

Solid Balance Sheet with Accelerated Deleverage (Net Debt / Adj. EBITDA)



EPS⁴ Accretive From Day 1



CLOSING REMARKS

The acquisition of Encore Wire increases exposure to secular growth drivers

Unique opportunity for Prysmian to accelerate growth in North America

Benefits from Encore Wire's fully integrated value chain

Estimated pre-tax run-rate EBITDA synergies of c.€140m within 4 years

~30% EPS¹ accretive incl. run-rate synergies, ~20% pre-synergies

Solid balance sheet with accelerated path to deleverage



NOTES

- **Slide 2:** ¹~\$4.2bn converted at 1.08x USD/EUR FX. ²Computed based on Encore Wire \$517m EBITDA converted at 1.08x USD/EUR FX to €479m and synergies of ~\$150m converted at 1.08x USD/EUR FX to ~€140m. ³Based on PF EBITDA of €2,107m (Prysmian €1,628m + Encore Wire \$517m converted at 1.08x USD/EUR FX to €479m). Encore Wire financials based on US GAAP. ⁴EPS stands for Earnings per share; EPS accretion computed without considering potential PPA impact deriving from the Transaction. Encore Wire financials as per US GAAP.
- **Slide 3:** ¹460 acres with 3m+ square feet. ²Defined as (EBITDA – Capex) / EBITDA.
- **Slide 5:** Note: Preliminary segmentation based on existing reporting by Prysmian and Encore Wire. Encore Wire financials based on US GAAP. Encore Wire's figures as per reported and converted at 1.08x USD/EUR FX.
- **Slide 6:** Note: Preliminary segmentation based on existing reporting by Prysmian and Encore Wire. Encore Wire financials based on US GAAP. Encore Wire's figures as per reported and converted at 1.08x USD/EUR FX. Based on PF EBITDA of €2,107m (€1,628m + \$517m converted at 1.08x USD/EUR FX of €479m)
- **Slide 7:** ¹Including IFRS 16; based on Adjusted EBITDA €1,628m. ²Based on PF EBITDA of €2,107m (€1,628m + \$517m converted at 1.08x USD/EUR FX of €479m). ³ Delta in net debt refers to Transaction Enterprise Value of ~€3.9 billion. ⁴EPS stands for Earnings per share; EPS accretion computed without considering potential PPA impact deriving from the Transaction. Encore Wire financials as per US GAAP.
- **Slide 8:** ¹EPS stands for Earnings per share; EPS accretion computed without considering potential PPA impact deriving from the Transaction. Encore Wire financials as per US GAAP.