

PRYSMIAN

Sector: Industrials

NEUTRAL

Price: Eu91.70 - Target: Eu85.00

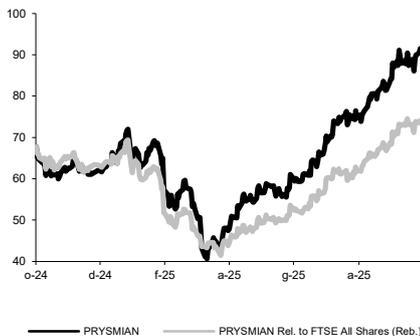
FY Guidance Raised as Expected. Neutral, TP Eu85 Unchanged

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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	6.8%	0.0%	0.0%

PRYSMIAN - 12M Performance



Stock Data

Reuters code:	PRY.MI		
Bloomberg code:	PRY IM		
Performance	1M	3M	12M
Absolute	10.1%	37.2%	35.3%
Relative	8.5%	32.4%	11.5%
12M (H/L)	91.70/40.65		
3M Average Volume (th):	1,019.47		

Shareholder Data

No. of Ord shares (mn):	268
Total no. of shares (mn):	299
Mkt Cap Ord (Eu mn):	24,589
Total Mkt Cap (Eu mn):	24,589
Mkt Float - Ord (Eu mn):	20,999
Mkt Float (in %):	85.4%
Main Shareholder:	
Blackrock	6.8%

Balance Sheet Data

Book Value (Eu mn):	7,064
BVPS (Eu):	23.84
P/BV:	3.8
Net Financial Position (Eu mn):	-2,568
Enterprise Value (Eu mn):	30,213

■ **3Q25 results solid as expected.** Prysmian 3Q25 results were solid and broadly in line with expectations, with FCF impacted by the phasing of downpayments, guided to recover in 4Q. Both EBITDA and FCF guidance for FY25 were raised, with consensus already slightly above the mid-point updated targets. 3Q25 sales were Eu5.03bn (+9.2% organic driven by Transmission +39% and Power Grid +15% after +3.2% YoY in 2Q and +5.0% YoY in 1Q) vs. consensus of Eu4.86bn and our estimate of Eu4.98bn. EBITDA of Eu644mn was only slightly above consensus (Eu637mn) and in line with our estimate (Eu649mn), with the Power Grid margin down YoY despite strong sales and Electrification EBITDA down YoY in absolute terms (Specialties still weak). 3Q25 EBITDA was up Eu104mn YoY, entirely driven by Transmission (EBITDA +Eu60mn YoY) and Digital Solutions (+Eu46mn YoY), with Power Grid up slightly (+Eu6mn) and Electrification down, reverting the growth in both 1Q and 2Q. Below EBITDA, results were boosted by the gain posted on the disposal of shares in YOFC (Eu566mn net cash-in), with 9M25 net profit reported at Eu1022mn (Eu736mn). LTM FCF of Eu859mn was below estimates due to a different phasing vs. 2024 for downpayments at Transmission, but management expects this to recover in 4Q (FCF guidance was slightly raised).

■ **Conference call feedback.** The call was focused on the structure of copper and aluminium tariffs introduced in the US market (not reflected in previous guidance) which benefits Prysmian over competitors lacking local production. This results in a trade-off opportunity enabling market share gains (leveraging spare capacity at Encore) while maintaining margins and/or the option of raising prices. Management said they expect this to support 2026 outlook but did not sound aggressive on 4Q25 numbers much above mid-point guidance. Other comments: Power Grid was weak on margins despite strong organic growth (+14.8% in 3Q) due to the temporary impact of contracts with fixed prices, which will be concluded by year-end. Conversely, at all other businesses they were able to pass price increase onto clients. Strong margins at Digital Solutions, close to 20%, which are seen as sustainable, although the pace of growth in the Datacenter business is likely to slow (+150% this year). FY25 net debt seen now at Eu3.0bn (sale of the stake in YOFC at a better price than initially thought). M&A: large acquisitions (in Europe, US, Latin America) only in 2027. Listing in US: the opportunity will be discussed again next year. The company is interested in expanding the submarine telecom business (today 95% of submarine is energy), but this will be done organically.

■ **Guidance upgrade:** FY25 guidance was raised to the Eu2.4bn mid-point (range Eu2375mn/2425mn) for EBITDA vs. consensus at Eu2409mn, and to Eu1075mn for FCF (range Eu1025/1125mn). Our estimates are at the high end of the range with FY25 EBITDA of Eu2435mn and FCF Eu1096mn. For FY28E, we estimate EBITDA at Eu3.18bn (mid-point target is Eu3.05bn) with Transmission at almost Eu1.0bn (Eu958mn).

■ **NEUTRAL; target Eu85.** We confirm the Neutral rating and TP at Eu85 (10.0x EV/EBITDA on FY26-27E avg. estimates). At target, we value Prysmian at 1-year forward EV/EBITDA of 11.5x and 1-year forward P/E of 19.5x (both at a 25/30% premium to 10-year history).

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	15,354	17,026	19,772	21,075	22,177
EBITDA Adj (Eu mn)	1,628	1,927	2,435	2,700	2,956
Net Profit Adj (Eu mn)	739	838	1,192	1,375	1,539
EPS New Adj (Eu)	2.756	2.802	3.992	4.604	5.153
EPS Old Adj (Eu)	2.756	2.802	3.739	4.604	5.153
DPS (Eu)	0.700	0.800	0.896	1.004	1.124
EV/EBITDA Adj	6.8	10.8	12.4	10.9	9.5
EV/EBIT Adj	8.7	14.3	16.4	14.0	12.1
P/E Adj	33.3	32.7	23.0	19.9	17.8
Div. Yield	0.8%	0.9%	1.0%	1.1%	1.2%
Net Debt/EBITDA Adj	0.5	2.1	1.1	0.6	0.2

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEIMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	32.06%
OUTPERFORM:	38.93%
NEUTRAL:	28.25%
UNDERPERFORM:	00.76%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (76 in total) is as follows:

BUY:	51.32%
OUTPERFORM:	30.26%
NEUTRAL:	17.10%
UNDERPERFORM:	01.32%
SELL:	00.00%

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