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Oggetto : Prysmian SpA: to acquire encore wire for  
\$290.00 per share in cash

*Testo del comunicato*

Vedi allegato



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## PRESS RELEASE

## PRYSMIAN TO ACQUIRE ENCORE WIRE FOR \$290.00 PER SHARE IN CASH

## Transaction Grows Prysmian's North America Exposure, Enhancing Geographical and Business Portfolio

Milan, 15 April 2024 – Prysmian today announced that it has entered into a definitive merger agreement under which it will acquire Encore Wire (NASDAQ: WIRE) for \$290.00 per share in cash (the "Transaction"). The Transaction represents a premium of approximately 20% to the 30-day volume weighted average share price (VWAP) as of Friday, April 12, 2024 and approximately 29% to the 90-day VWAP as of the same date.

At the terms of the Transaction, Encore Wire's implied Enterprise Value is approximately €3.9 billion<sup>1</sup> representing a multiple of 8.2x EV/2023A EBITDA and 6.3x EV/2023A EBITDA including run rate synergies.

#### About Encore Wire

Encore Wire is a leading manufacturer of a broad range of copper and aluminum electrical wire and cables, supplying power generation and distribution solutions. Encore Wire's diversified product portfolio and low-cost of production position it exceptionally well to play a key role in the transition to a more sustainable and reliable energy infrastructure. In fiscal year 2023, Encore Wire delivered revenue of approximately \$2.6 billion and EBITDA of \$517 million<sup>2</sup>.

#### Strategic Rationale

Encore Wire is highly complementary to Prysmian's strategy and, in particular, the Transaction will allow Prysmian to:

- increase its exposure to secular growth drivers;
- enhance its exposure to North America;
- leverage Encore Wire's operational efficiency and best in class service across Prysmian's portfolio;
- broaden Prysmian's product offering enabling the combined company to better address customers' needs in North America; and
- generate ~€140m in run-rate EBITDA synergies expected within 4 years from closing.

*"The acquisition of Encore Wire represents a landmark moment for Prysmian and a strategic and unique opportunity to create value for our shareholders and*

<sup>1</sup> Equivalent to \$4.2 billion, converted at 1.08x USD/EUR FX

<sup>2</sup> Encore financials based on US GAAP

This press release is available on the company website at [www.prysmiangroup.com](http://www.prysmiangroup.com) and in the mechanism for the central storage of regulated information provided by Teleborsa S.r.l. at [www.emarketstorage.com](http://www.emarketstorage.com).



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*customers," said Massimo Battaini, Prysmian designated Group CEO. "Through this acquisition, Prysmian will grow its North American presence, enhancing its portfolio and geographic mix, while significantly increasing the exposure to secular growth drivers. We look forward to welcoming the Encore Wire team to Prysmian and benefitting from the combined company's enhanced product offerings and customer relationships."*

*"We are pleased to have reached an agreement that reflects the remarkable value Encore Wire has created with our expansive single-campus model, low-cost production, centralized distribution and product innovation," said Daniel L. Jones, Encore Wire's Chairman, President and Chief Executive Officer. "This transaction maximizes value for Encore Wire shareholders and provides an attractive premium for their shares. Encore Wire and Prysmian are two highly complementary organizations, and we anticipate a bright future for Encore Wire as part of Prysmian. Furthermore, as part of a larger, global operation, we expect this transaction will bring additional future opportunities for our employees, whose dedication and hard work made this transaction possible. We look forward to working with Prysmian to complete this value-enhancing combination and realize the significant benefits that we expect it will bring to all of our stakeholders."*

Following closing of the Transaction, Prysmian expects to maintain a significant presence at Encore Wire's vertically-integrated, single-site, McKinney, Texas campus.

### Financial Highlights

Based on pro forma aggregated results for the twelve months ended December, 2023, the combined group would have posted net sales of over €17.7 billion and adjusted EBITDA of approximately €2.1 billion<sup>3</sup>.

Prysmian expects to generate run-rate pre-tax synergies of approximately €140 million within 4 years from Closing. One-off capex / costs to achieve the above-mentioned synergies are estimated at approximately 1.2-1.3x run-rate pre-tax synergies.

The Transaction is expected to generate an EPS<sup>4</sup> accretion of ~30% including run-rate synergies, an EPS accretion of ~20% pre-synergies<sup>5</sup> for Prysmian shareholders.

The transaction will be financed through a mix of cash on Prysmian's Balance Sheet (€1.1 billion) and newly committed debt facilities (€3.4 billion).

Pro-forma net debt for the combined group of approximately €5.1 billion, representing a 2.4x 2023 ND/Adj. EBITDA<sup>6</sup> ratio.

Given the strong cash flow generation of the combined business, further enhanced by the synergies, Prysmian will enjoy an accelerated deleverage which is expected to bring leverage ratio (ND/Adj. EBITDA) close to Prysmian standalone 2023 leverage ratio by 2027.

<sup>3</sup> Based on PF EBITDA of €2,102m (Prysmian €1,628m + Encore Wire \$517m converted at 1.08x USD/EUR FX of €479m). Encore Wire financials based on US GAAP.

<sup>4</sup> EPS stands for Earnings per share

<sup>5</sup> EPS accretion computed without considering potential PPA impact deriving from the Transaction. Encore Wire financials as per US GAAP.

<sup>6</sup> Based on pro-forma EBITDA of €2,102m (€1,628m + \$517m converted at 1.08x USD/EUR FX of €479m).

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## Approvals and Timing

The Transaction, which has been unanimously approved by each company's Board of Directors and recommended to its shareholders by Encore Wire's Board of Directors, is expected to close in the second half of 2024, subject to approval of Encore Wire's shareholders representing at least a majority of the outstanding shares, regulatory approvals, and other customary closing conditions.

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Goldman Sachs Bank Europe SE, Succursale Italia is acting as sole financial advisor to Prysmian and Wachtell, Lipton, Rosen & Katz is acting as legal advisor. J.P. Morgan Securities LLC is acting as sole financial advisor to Encore Wire and O'Melveny & Myers LLP is acting as legal advisor.

### Conference Call to Discuss Transaction

Monday 15<sup>th</sup> of April at 10:00 a.m. CET a presentation and a conference call for analysts and institutional investors will be hosted by Massimo Battaini, designated CEO of Prysmian. Please find below the link to access the webcast:

Webcast link:

<https://edge.media-server.com/mmc/p/evqv6n35>

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### PRYSMIAN

Prysmian is a global cabling solutions provider leading the energy transition and digital transformation. By leveraging its wide geographical footprint and extensive product range, its track record of technological leadership and innovation, and a strong customer base, the company is well-placed to capitalise on its leading positions and win in new, growing markets. Prysmian's business strategy perfectly matches key market drivers by developing resilient, high-performing, sustainable and innovative cable solutions in the segments of Transmission, Power Grid, Electrification and Digital Solutions. Prysmian is a public company listed on the Italian Stock Exchange, with almost 150 years of experience, about 30,000 employees, 108 plants and 26 R&D centres in over 50 countries, and sales of over €15 billion in 2023.

### ENCORE WIRE

Encore Wire is a leading manufacturer of a broad range of copper and aluminum electrical wire and cables, supplying power generation and distribution solutions to meet its customers' needs today and in the future. The Company focuses on maintaining a low-cost of production while providing exceptional customer service, quickly shipping complete orders coast-to-coast. Its products are proudly made in America at its vertically-integrated, single-site, Texas campus.

For more info:

[Prysmian Contacts](#)



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