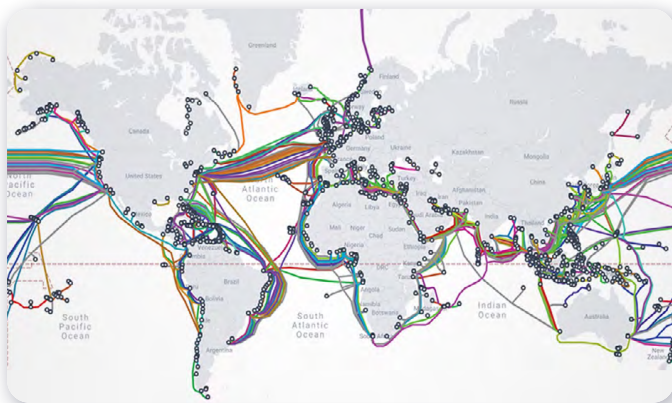




## Prysmian: A Relatively Obscure Italian Company

Founded **145 years ago**, making submarine telegraph cables for the Italian navy, Prysmian still makes cables, but now they move electricity and data worldwide. It links grids at every scale: wind farm to city, country to country, continent to continent. A physical cable is still the only way to carry that power, and Prysmian is one of the **few firms on earth** that can build and lay it at scale.



Source: ICPC: 22 June 2026

### The Moat: Engineering Complexity

- For these cables to work, they have to be **flawless** for **hundreds of kilometres** along the seabed, then get buried in it. Zero tolerance for error.
- Less than a handful of firms exist that can pull this off.
- The **backlog runs years out**. The bottleneck is ships, not demand.
- Prysmian owns six vessels, two of them the most advanced HVDC ships afloat, with a third landing in 2027.
- Each ship takes years to build and costs **north of \$200m**.
- Highest quality cables, most advanced ships, fully vertically integrated.
- A **near-monopoly** on infrastructure the world can't do without.

### The Long-Term Drivers

- The world runs on grids **built decades ago**, and electrification is adding load faster than they can take it.
- The world is electrifying and adds pressure on the grid.
- Wind and solar sit far from cities, so the power has to travel.
- Europe's REPowerEU plan **links national grids** for energy security, so surplus power flows from where it's made to where it's short.
- Every interconnector is a multi-year, premium-priced subsea job.
- The data-centre boom is devouring fibre, with optical capacity needing to **climb 40-50%** just to keep pace. Fast-growing, higher-margin.



Prysmian has become **essential plumbing** for two of the biggest shifts of our era: **the world electrifying**, and the **explosion of AI** and data. It makes the **cable nobody else can**, owns the ships to lay it, and sits on a **years-long backlog**. As the high-margin subsea cables grow to a larger share of revenue, they lift the whole group's profitability. The one catch is, it's priced for growth. It doesn't trade like an overlooked industrial anymore. At 28x NTM earnings you're paying up for a best-in-class business backed by visible and growing cashflows. **A niche necessity.**

The views expressed above are those of the Advantage Securities Investment Team and are based on our analysis, interpretation of publicly available information, and professional judgement at the time of writing.

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