

INTERIM REPORT AS AT MARCH 31st 2018
 (in brackets results as at 31/03/2017)

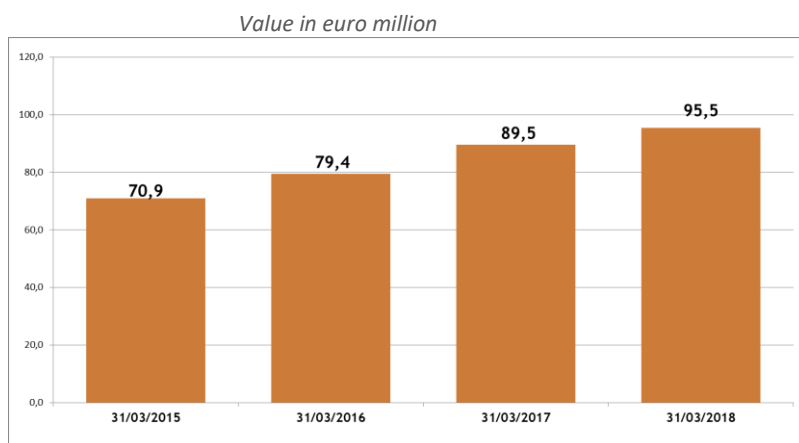
**GROWTH OF REVENUES AND ORDER ACQUISITION
 PROFITABILITY IMPROVEMENT CONTINUES**

- Consolidated REVENUES at 95.5 M€ (+ 6.8% against 89.5 M€, +11.3% at constant exchange rates);
- EBITDA adjusted at 6.9 M€ (+10.1% against 6.3 M€);
- GROUP NET PROFIT at 4.7 M€ (against 0.8 M€), influenced by non-recurring items;
- NET FINANCIAL POSITION at -84.7 M€ (against -101.1 M€);
- ORDERS' ACQUISITION at 120.5 M€ (+7.4% against 112.2 M€);
- ORDERS' BACKLOG at 192.5 M€ (+17.3% against 164.2 M€), increased to 210.2 M€ at 30/04/2018.

Collegno (TO), May 7th 2018 - The board of Directors of Prima Industrie S.p.A, a company leader in high technology laser systems, sheet metal working systems and electronic components for industrial applications, met today to approve the Interim Report as at 31/03/2018.

The Group ended the first quarter of 2018 reaching consolidated revenues of 95,534 thousand euro, increasing about 6.8% against the same period of the previous year. The growth would have been 11.3% at constant exchange rates.

The turnover growth trend continues: in the last 3 years the CAGR for first quarter revenues was 10.4%, as can be seen from the graph below.



Below are the main economic indicators of the Group as at 31/03/2018 broken down by Division, compared with the same period of the previous year:

Values in euro thousand

31/03/18	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	86.539	19.130	22,1%	5.316	6,1%	2.035	2,4%	(2.483)
PRIMA ELECTRO	15.978	3.815	23,9%	1.135	7,1%	330	2,1%	7.232
ELIMINATIONS	(6.983)	(117)	-1,7%	(122)	-1,7%	(122)	-1,7%	(90)
GROUP	95.534	22.828	23,9%	6.329	6,6%	2.243	2,3%	4.659

(% calculated over the revenues)

Values in euro thousand

31/03/17	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	83.391	19.071	22,9%	5.969	7,2%	2.518	3,0%	1.002
PRIMA ELECTRO	12.090	2.510	20,8%	500	4,1%	(352)	-2,9%	(110)
ELIMINATIONS	(5.998)	(233)	-3,9%	(191)	-3,2%	(187)	-3,1%	(122)
GROUP	89.483	21.348	23,9%	6.278	7,0%	1.979	2,2%	770

(% calculated over the revenues)

Values in euro thousand

Variations	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	3.148	59	1,9%	(653)	-20,7%	(483)	-15,3%	(3.485)
PRIMA ELECTRO	3.888	1.305	33,6%	635	16,3%	682	17,5%	7.342
ELIMINATIONS	(985)	116	11,8%	69	7,0%	65	6,6%	32
GROUP	6.051	1.480	24,5%	51	0,8%	264	4,4%	3.889

(% calculated over the revenues)

The above shows a clear improvement in revenues (+ 32.2%) and profitability (EBITDA from 4.1% to 7.1% of revenues) of the Prima Electro Division, while the results of the Prima Power Division are impacted by non-recurring costs.

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Following is the consolidated revenues geographical breakdown at 31/03/2018 compared with same period of the previous year:

Revenues	31/03/18		31/03/17	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
EMEA	58.467	61,2	46.584	52,0
AMERICAS	22.368	23,4	27.096	30,3
APAC	14.699	15,4	15.803	17,7
TOTAL	95.534	100,0	89.483	100,0

The table above shows that the Group's turnover for the first quarter of 2018 (compared with the first quarter of 2017) grew significantly in the EMEA area (+ 25.5%); on the other hand, there was a decline in AMERICAS (-17.5%) and, although to a lesser extent, in APAC (-7.0%).

The Group generated consolidated revenues in the EMEA area for 58,467 thousand euro; in particular, the Group achieved good results in Italy (19.0% of consolidated revenues), up 65%, in Russia and Eastern Europe (9.6% of consolidated revenues), in the countries of Northern Europe (5.3% of consolidated revenues), in Spain (4.6% of consolidated revenues) and in Germany (4.3% of consolidated revenues).

The share of revenues generated by AMERICAS decreased compared to 2017, from 27,096 thousand euro to 22,368 thousand euro (-17.5%). At constant exchange rates the reduction would have been limited to 4.7%.

With regard to the APAC countries, revenues decreased, compared to 2017, from 15,803 thousand euro to 14,699 thousand euro (-7.0%); this decrease is mainly attributable to the temporary reduction in revenues in China, which moved from 12,025 thousand euro to 8,622 thousand euro.

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The **EBITDA** of the Group at 31/03/2018 is equal to 6,329 thousand euro (6.6% of revenues) and has remained substantially unchanged compared to 31/03/2017 (6,278 thousand euro, equal to 7.0% of revenues).

It should be noted that EBITDA as at 31/03/2018 recorded non-recurring costs for legal and financial consultancies, amounting to 583 thousand euro (as of 31/03/2017 there were no costs of this nature); therefore the **adjusted EBITDA** of the Group amounts to 6,912 thousand euros (7.2% of revenues).

The **EBIT** of the Group at 31/03/2018 is equal to 2,243 thousand euro (2.3% of revenues) and is up by 264 thousand euro compared to 31/03/2017 (1,979 thousand euro, equal to 2.2% of revenues). This result is affected by the amortization of intangible assets for 3,238 thousand euro and of tangible fixed assets for 1,067 thousand euro and impairment for 309 thousand euro. With regard to the amortization of intangible assets, these mainly refer to amortization of development costs (2,020 thousand euro) and amortization relating to the trademark registered as part of the business combination of the FINN-POWER Group, equal to 456 thousand euro.

EBIT at 31/03/2018 is affected by non-recurring costs related to the impairment of a property; as a consequence, **adjusted EBIT** amounted to 3,135 thousand euros (3.3% of revenues), up by 58.4% compared to 31/03/2017 (where there were no non-recurring items).

The **EBT** of the Group at 31/03/2018 is positive for 5,423 thousand euro and is up by 4,383 thousand euro compared to 31/03/2017. The EBT is affected by net financial expenses (including gains and losses on exchange rates) for 3,999 thousand euro (at 31/03/2017 they amounted to 1,165 thousand euro).

Financial expenses also include 1,885 thousand euro in costs incurred for the refinancing of the bond and medium-term bank debt, with the aim of extending the duration of approximately 3 years and reducing the interest rate by about 2%.

The result of other equity investments is positive for 7,179 thousand euro and refers to the capital gain on the disposal of the entire stake held in EPS SA (formerly classified under "Non-current assets held for sale").

The Group's **NET PROFIT** as at 31/03/2018 is 4,659 thousand euro (it was equal to 770 thousand euro at 31/03/2017); while the Net Profit pertaining to the Parent Company is 4,689 thousand euro.

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At 31/03/2018 the Group's net financial position shows a net debt of 84,659 thousand euro, compared to 101,122 thousand euro at 31/03/2017 and 69,632 thousand euro at 31/12/2017. As usual, the increase in debt in the first quarter of 2018 reflects the higher volumes expected in subsequent quarters of the year; the growth in sales volumes expected in the coming months is confirmed by the high order backlog and has a clear negative effect on the Group's working capital.

Below is the detail of the net financial position:

<i>Values expressed in Euro thousand</i>	31/03/18	31/12/17	31/03/17
NON CURRENT FINANCIAL ASSETS	(3.485)	-	-
CASH & CASH EQUIVALENTS	(69.100)	(70.521)	(43.817)
CURRENT FINANCIAL ASSETS	(674)	(849)	(792)
CURRENT FINANCIAL LIABILITIES	33.472	42.525	32.764
NON CURRENT FINANCIAL LIABILITIES	124.446	98.477	112.967
NET FINANCIAL POSITION	84.659	69.632	101.122

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During the first quarter of 2018 the Group's order acquisition (including after-sale service) amounted to 120.5 million euro, an increase of 7.4% compared to 112.2 million euro at 31/03/2017, recording the best data relating to a first quarter for the Group.

The consolidated order backlog (not including the after-sale service) at 31/03/2018 amounts to 192.5 million euro (compared to 164.2 million euro at 03/31/2017).

The Group Chairman, Gianfranco Carbonato, noted: *"We are pleased to note a trend in revenues and orders which keeps growing, even if mitigated by the exchange rate impact due to the strengthening of the Euro. The performance of Prima Electro is particularly significant, thanks also to the first returns on investments in fiber lasers. The order backlog at record levels (for the first time over 200 million euro) makes us confident for the coming quarters, despite some signs of uncertainty on certain markets".*

"The manager responsible for preparing the company's financial reports, Davide Danieli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law of Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records".

The document with the Interim Report as at 31/03/2018 shall be filed and made available at the Company registered offices and on the internet site www.primaindustrie.com as well as on the authorized storage mechanism 1info, www.1info.it, within the prescribed time.

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The alternative performance indicators used and accompanied by an explanation which reflects their content and basis of calculation are as follows:

- Revenues at constant currency are determined by applying the prior year average exchange rates to current year's revenues expressed in local currency;
- EBIT (which corresponds to "Operating income");
- EBITDA ("Earnings before interest, taxes, depreciation and amortization"), which is determined by adding to the "Operating Profit" in the financial statements the "Amortization" and the "Impairment and write-downs";
- EBT (which corresponds to the "Profit before tax");
- EBITDA, EBIT and EBT Adjusted correspond to the mentioned alternative performance indicators net of non-recurring items;
- Net Financial Indebtness, includes cash, financial receivables (current and non-current), net of (current and non-current) loans and borrowings and of the fair value of derivative. The reconciliation with the net financial position required by the Consob communication no. DEM/6064293 of 28 July 2006 is reported in Note 20 to the consolidated financial statements.

The results for the first quarter 2018 are unaudited.

PRIMA INDUSTRIE heads a leading Group in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery, as well as industrial electronics and laser technologies.
The parent company Prima Industrie S.p.A. is listed on the Italian Stock Exchange since 1999 (MTA- STAR segment).
With 40 years of experience the Group can count on about 13,000 machines installed in more than 80 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has about 1,800 employees and manufacturing sites in **Italy** (PRIMA INDUSTRIE S.p.A, PRIMA ELECTRO S.p.A), **Finland** (FINN-POWER Oy), **USA** (Convergent Photonics Llc, PRIMA POWER LASERDYNE Llc.) and **China** (PRIMA POWER SUZHOU Co. Ltd.). Remarkable is as well its direct commercial and after-sales presence in BRIC, NAFTA, European Union and other emerging Asian countries.

The Prima Industrie Group is structured on 2 Business Units:

Laser and sheet metal processing machines (Prima Power): including design, manufacturing and marketing of:

- Laser machines for cutting, welding and drilling of 3D and 2D components.
- Machines for sheet metal treatment by means of mechanical tools (punching machines, combined punching/shearing systems, combined punching/laser cutting systems, panel benders and automation systems).

Industrial electronics and laser technologies (Prima Electro): including development, manufacturing and marketing of power and control electronics, and of high-power laser sources for industrial applications, destined both to the Group machines and to third parties.

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CONSOLIDATED BALANCE SHEET

<i>Values in thousand euro</i>	31/03/2018	31/12/2017
Property, plant and equipment	35.740	35.628
Intangible assets	148.478	149.603
Other investments	355	355
Non current financial assets	3.495	10
Deferred tax assets	11.633	11.340
NON CURRENT ASSETS	199.701	196.936
Inventories	129.780	113.035
Trade receivables	106.878	113.649
Other receivables	10.780	8.019
Current tax receivables	7.520	9.380
Derivatives	-	58
Financial assets	674	791
Cash and cash equivalents	69.100	70.521
CURRENT ASSETS	324.732	315.453
Assets held for sale	384	1.111
TOTAL ASSETS	524.817	513.500
Capital stock	26.208	26.208
Legal reserve	4.653	4.653
Other reserves	69.241	69.311
Currency translation reserve	322	1.360
Retained earnings	46.094	27.620
Net result	4.689	18.515
<i>Stockholders' equity of the Group</i>	151.208	147.668
<i>Minority interest</i>	1.264	1.286
STOCKHOLDERS' EQUITY	152.472	148.954
Interest-bearing loans and borrowings	124.244	98.396
Employee benefit liabilities	7.669	7.694
Deferred tax liabilities	5.933	5.997
Provisions	172	172
Derivatives	202	80
NON CURRENT LIABILITIES	138.220	112.339
Trade payables	98.970	110.465
Advance payments	43.978	43.620
Other payables	28.897	24.951
Interest-bearing loans and borrowings	33.472	42.525
Current tax payables	5.525	6.072
Provisions	23.283	24.574
Derivatives	-	-
CURRENT LIABILITIES	234.125	252.207
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	524.817	513.500

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	31/03/2018	31/03/2017(*)
Net revenues	95.534	89.483
Cost of goods sold	(72.706)	(68.134)
GROSS MARGIN	22.828	21.349
Research and Development costs	(6.514)	(5.683)
Sales and marketing expenses	(6.989)	(6.982)
General and administrative expenses	(7.082)	(6.704)
OPERATING PROFIT (EBIT)	2.243	1.980
Financial income	944	666
Financial expenses	(4.433)	(1.692)
Net exchange differences	(510)	(139)
Net result of other investments (**)	7.179	227
RESULT BEFORE TAXES (EBT)	5.423	1.042
Taxes	(764)	(271)
NET RESULT	4.659	771
- Attributable to Group shareholders	4.689	837
- Attributable to minority shareholders	(31)	(67)
RESULT PER SHARE - BASIC (in euro)	0,45	0,08
RESULT PER SHARE - DILUTED (in euro)	0,45	0,08
EBITDA	6.329	6.278

(*) For a better comprehension, the 2017 figures have been re-exposed

(**) It must be outlined that this figure includes a financial gain deriving from EPS SA sale of share. In the Balance Sheet the EPS SA investment was classified in the Assets held for sale.

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Values in Euro thousand</i>	31/03/2018	31/03/2017 (*)
Net result	4.659	770
Adjustments (sub-total)	(23.380)	(14.922)
Depreciation, impairment & write-off	4.086	4.299
Gain from sales of shares in other investments (**)	(7.179)	(227)
Net change in deferred tax assets and liabilities	(357)	(1.080)
Change in employee benefits	(25)	(123)
Change in inventories	(16.745)	(19.003)
Change in trade receivables	6.771	2.752
Change in trade payables and advances	(11.137)	134
Net change in other receivables/payables and other assets/liabilities	1.206	(1.674)
Cash Flows from (used in) operating activities	(18.721)	(14.152)
Cash flow from investments		
Acquisition of tangible fixed assets (**)	(1.561)	(651)
Acquisition of intangible fixed assets	(413)	(83)
Capitalization of development costs	(1.387)	(1.879)
Net disposal of fixed assets	98	(10)
Capital increase/decrease in Other investments (**)	7.906	218
Cash Flows from (used in) investing activities	4.643	(2.405)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	(3.259)	(626)
Increases in loans and borrowings (including bank overdrafts)	64.910	4.214
Repayment of loans and borrowings (including bank overdrafts)	(47.927)	(5.365)
Repayments in financial lease liabilities	(157)	(117)
Other variations	(41)	-
Cash Flows from (used in) financing activities	13.526	(1.894)
Cash Flows from (used in) change of minority shareholders	-	-
Foreign exchange translation differences	(868)	(413)
Net change in cash and equivalents	(1.420)	(18.864)
Cash and equivalents beginning of period	70.521	62.680
Cash and equivalents end of period	69.100	43.817

<i>Additional Information to the Consolidated Statement of Cash-Flow</i>	31/03/2018	31/03/2017 (*)
<i>Values in euro thousand</i>		
Taxes paid	(117)	(942)
Interests paid	(2.899)	(616)

(*) for a better comprehension, the 2017 figures have been re-exposed

(**) not included the acquisition of real estate assets by means of a financial lease and included assets held for sale

(***) The gain is relevant to EPS SA sale for share, this investment was classified in the Assets held for Sale