



# Group profile 2011/2012

A global outlook 4 years after Finn-Power acquisition

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*Investors' meeting - February 14<sup>th</sup>, 2012  
with Banca Akros*





# Executive summary

## 1. Action plan achieved

1. Plants reorganization: 1 plant=1 mission
2. Product range rationalization & innovation
3. Sale/service integration in EU, NA, China
4. Direct presence investments in emerging markets  
(The Gulf, Russia, India, Brazil, Turkey, Korea)
5. Rebranding

## B. Financials

1. Market trends
2. Order intake & backlog
3. Revenues & profitability
4. NFP & deleveraging
5. Bank facilities & covenants
6. Stock price & shareholders
7. Analysts' coverage

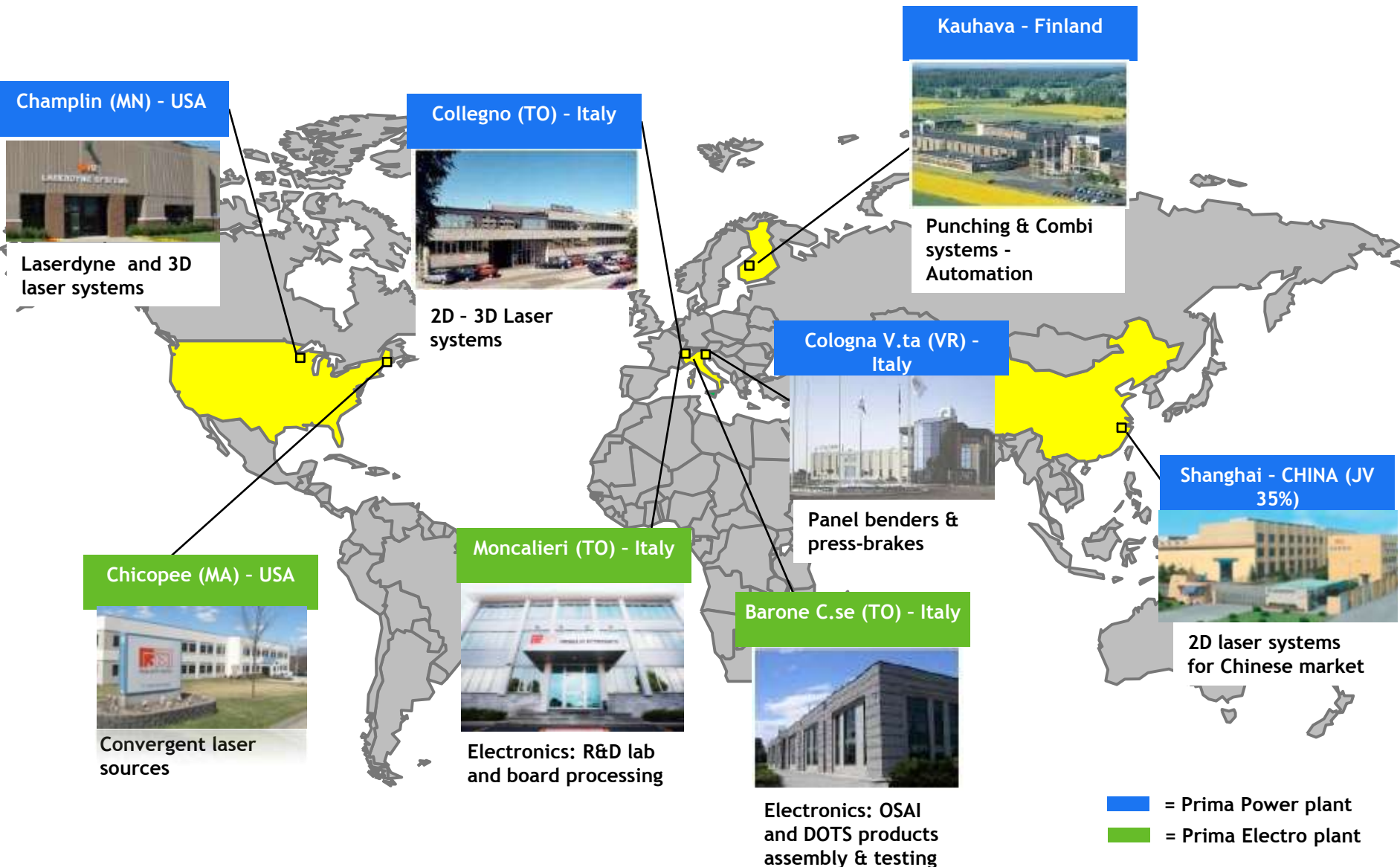


## A. ACTION PLAN ACHIEVED





# Plants reorganization: 1 plant = 1 mission





# Product range rationalization & innovation



New RAPIDO equipped with fiber laser



New E6x servo electric turret punch press

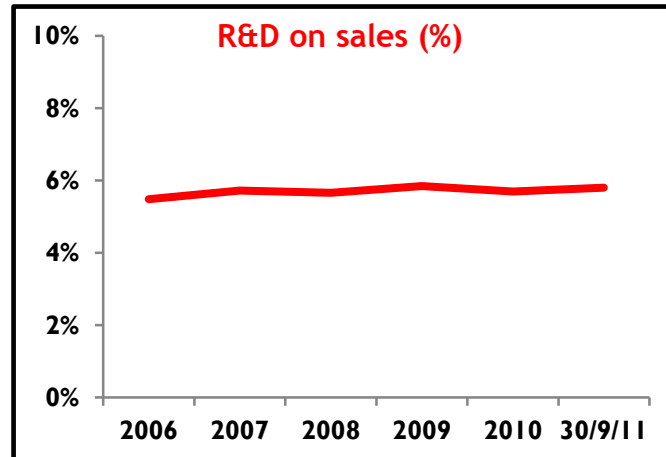
green  
means®



New eP 1030 electric press brake



New SG6e, unique fully electric punching/shearing system



The Punch    The Laser    The Bend    The Combi    The System    The Software



# Sale/service integration in Europe

- Finland & Nordic countries: New HQ in Finland through FP acquisition



Renovated Tech Center Kauhava - Finland



- Italy:

Demo room Collegno (TO)



New Technology & Training Center Cologna V.ta (VR)





# Sale/service integration in Europe

• France:



Merging & Relocation - Paris



France Minister of Ecology, Sustainable Development, Transport and Housing visits a Prima customer

• Germany:



Merging & Relocation - Frankfurt

• Spain:



Merging & Relocation - Barcelona

• UK:



Coventry

• Benelux:

Gent

• Central Europe:

Subsidiary relocation to Warsaw, with branches in  
Czech Rep. and Hungary



# Sale/service integration in North America

- USA: Subsidiary and Tech Center - Chicago (IL)



- Laserdyne and 3D laser products - Champlin (MN)



- Convergent lasers - Chicopee (MA)



- Canada: Subsidiary - Toronto



US President Obama visiting a Prima Power customer in Wisconsin



Former MA governor Mitt Romney visiting Chicopee plant



Multiple RAPIDO machines in operation at MAGNA-COSMA - Canada





# Sale/service integration in China

- Beijing: Prima Power China - 3D high-end laser machines
- Hong Kong: Leeport Distributor - 2D and sheet metal processing systems
- Shanghai: JV Shanghai Unity Prima - 2D laser machines
- Guangzhou: Prima Electro CNC and other electronic products

Leeport



CIMT expo - Beijing



Leeport demo room



S.U.P. manufacturing plant



# Direct presence investments in emerging markets

- The Gulf: Establishment of a branch in Sharjah (U.A.E.) in 2009
- Russia: Establishment of a subsidiary in Moscow in 2010
- India: Establishment of a subsidiary in Mumbai in 2011
- Brazil: Establishment of a subsidiary in Sao Paulo in 2011
- Turkey: Establishment of a subsidiary in Istanbul in 2011
- Korea: Establishment of a branch in Seoul in 2012



Steelfab expo - U.A.E.



Metallobrobotka expo - Moscow



Imtex expo - Bangalore



TATEF expo - Istanbul



Blech expo - Mumbai



VIP guests in front of a PP machine at CNH plant in Sorocaba, Brazil

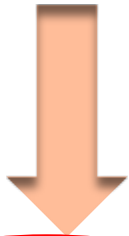


Komaf expo - Seoul



# Rebranding

## Machinery Division



New brand launch ceremony

## Electronics & laser technologies



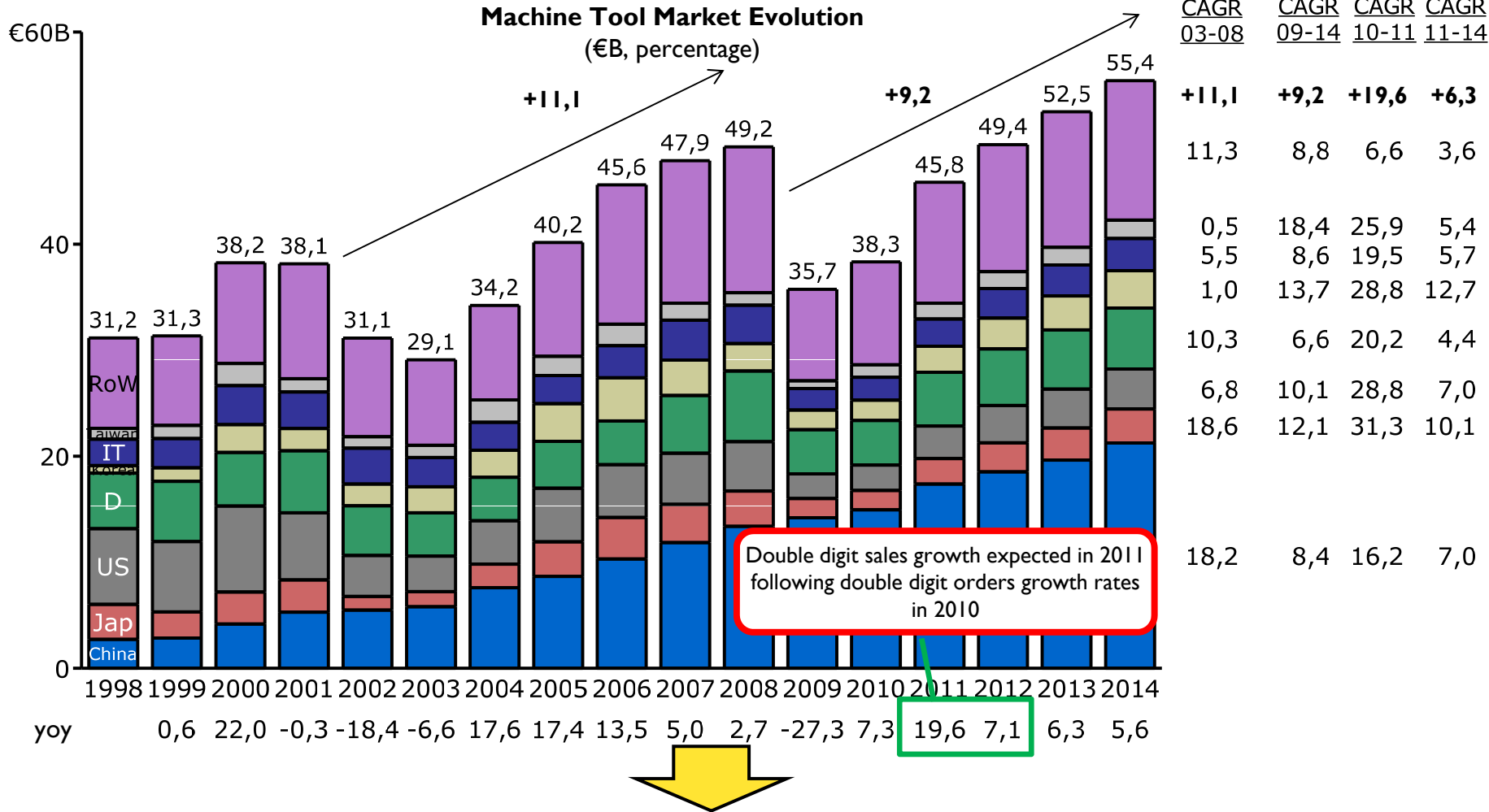


# B. FINANCIALS





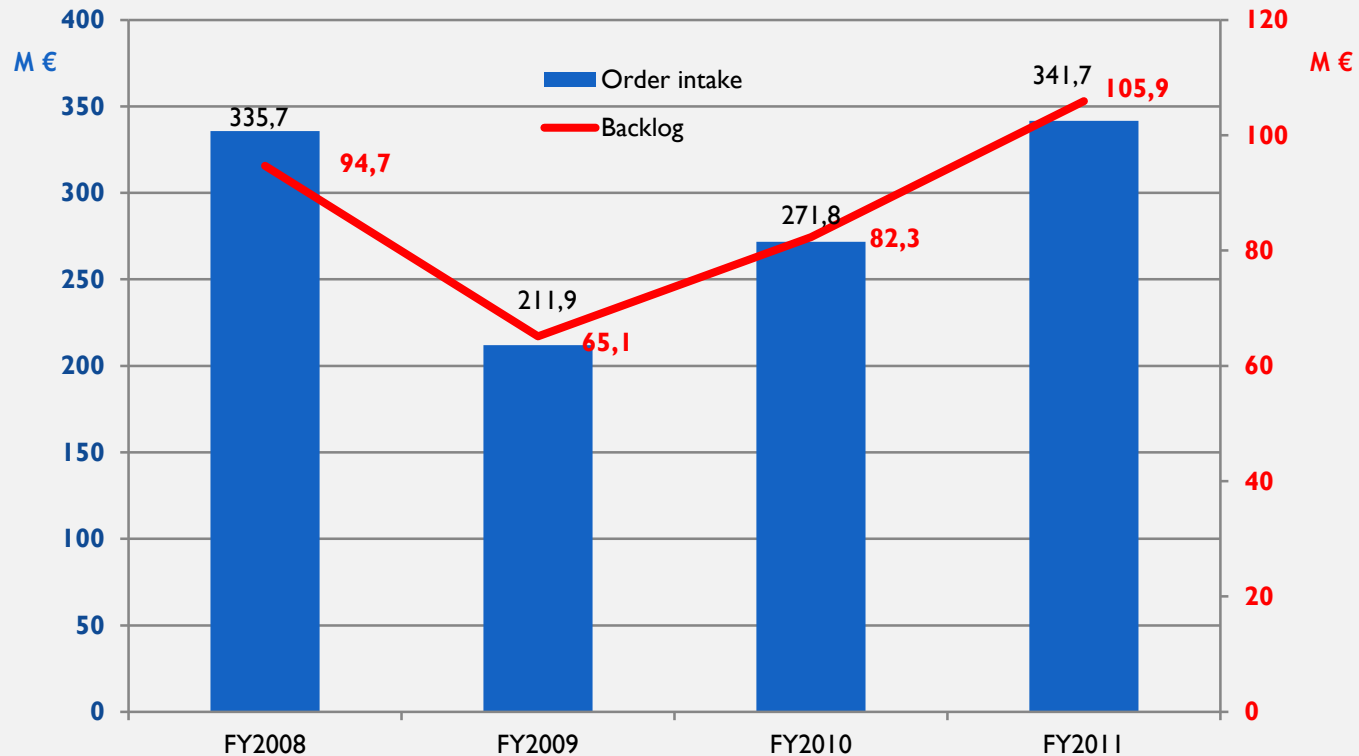
# Market trends



**Flat growth and cyclicity of developed markets (e.g. Western Europe, USA, Japan) completely offset by solid growth of developing markets (e.g. China, Korea, Russia, Turkey)**

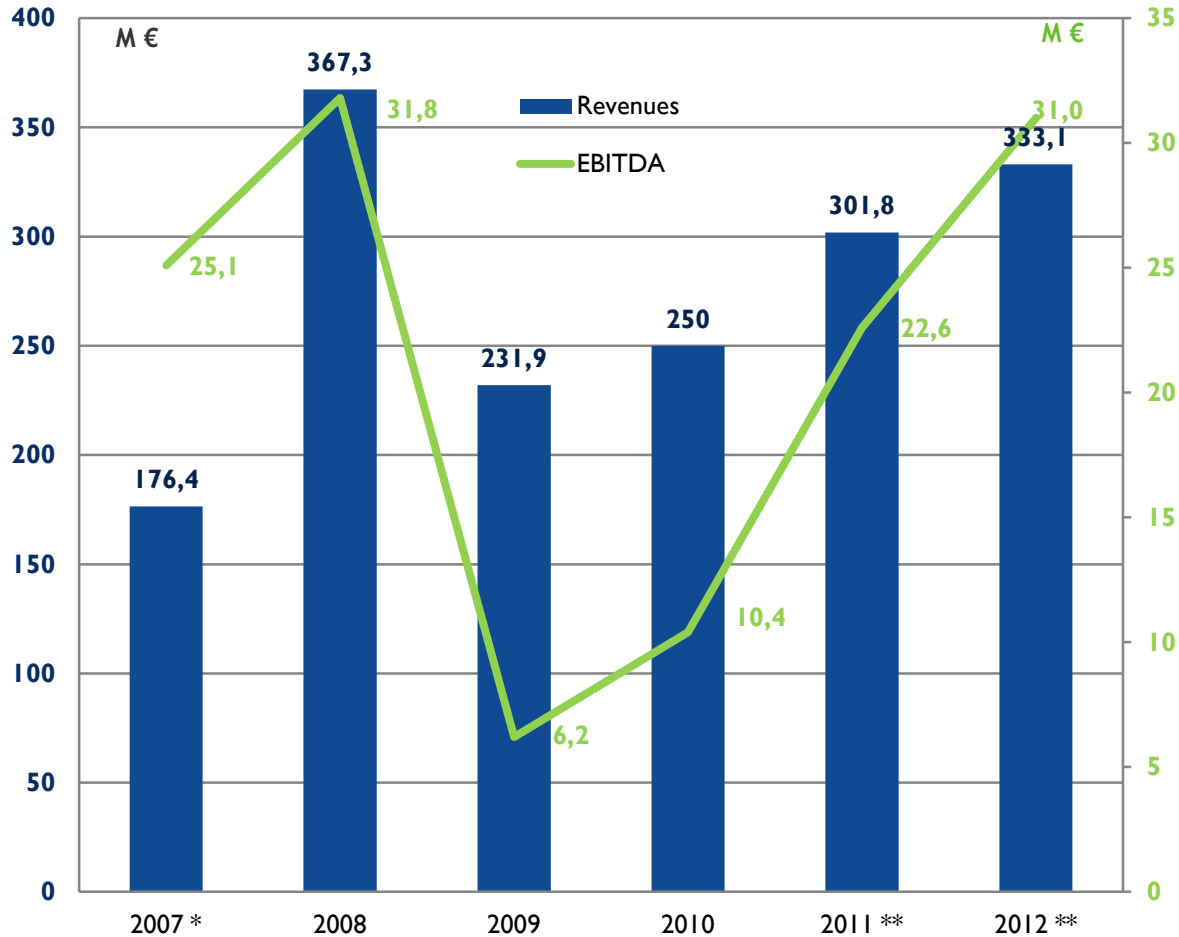


# Order intake & backlog



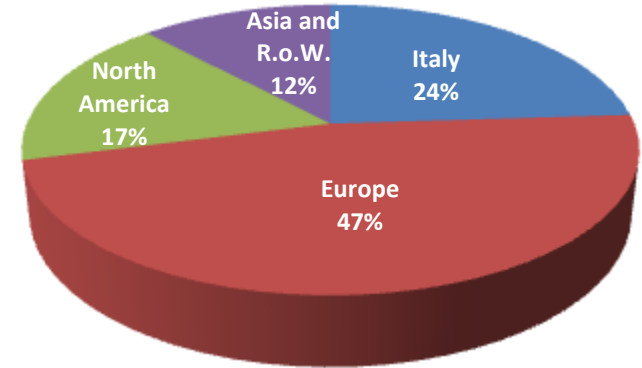


# Revenues & profitability

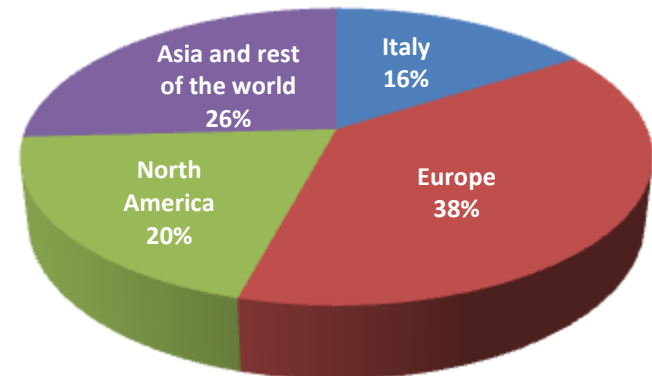


(\*) = prior to Finn-Power acquisition  
 (\*\*) = according to analysts' consensus

Revenues by geography  
2007 \*



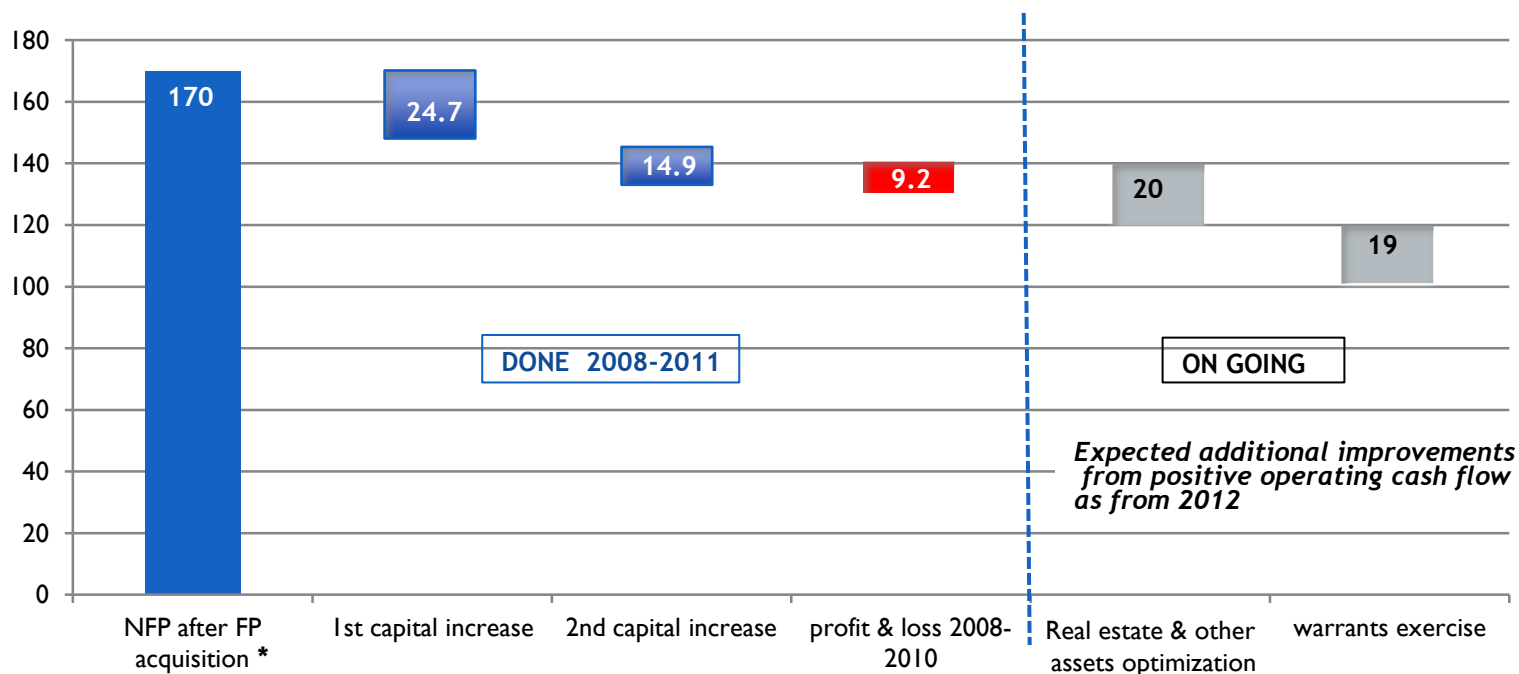
Revenues by geography  
2011 preliminary estimates





# Net financial position & deleveraging

EVENT	AMOUNT	TIMING
Net financial position after Finn-Power acquisition:	<u>170 M €</u>	
• 1 <sup>st</sup> capital increase (14.25 €/share):	24.7 M €	2008
• 2 <sup>nd</sup> capital increase (6.80 €/share):	14.9 M €	2009-10
• Profit & loss 2008-2010:	9.2 M €	2008-10
• Real estate & other assets optimization:	20 M €	In progress/Planned
• Warrants exercise:	19 M €	Expected within 2013



(\*) = NFP includes derivatives and leasing for about 10 M €





# Bank facilities & covenants

FINPOLAR loan contract, amended on July 29, 2011

The loan includes:

TRANCHE	AMOUNT	REIMBURSEMENT
Bullet tranche	Principal amount 63.4 M€	Due date 2016
Two amortizing tranches	Total principal amount 40.6 M€	Half-yearly even installments up to 2015
Two working capital lines	Total amount 26.9 M€	Self liquidating

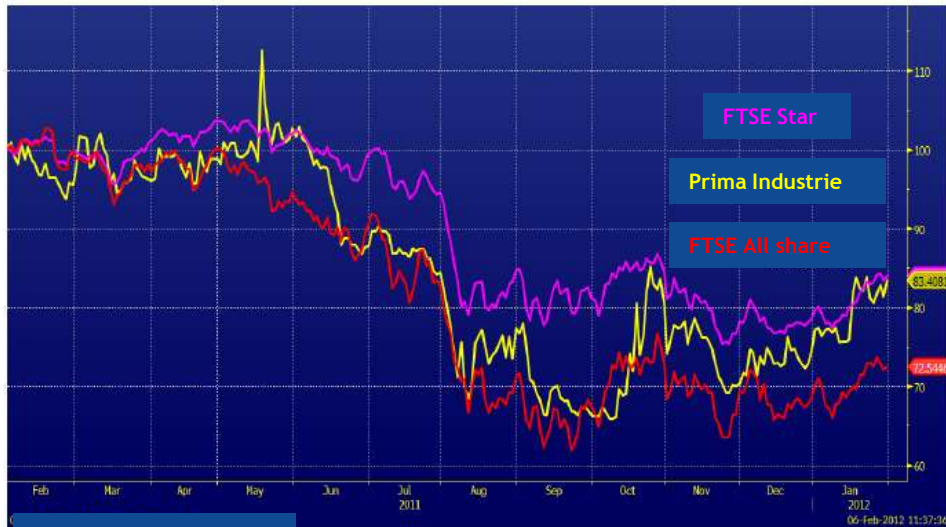
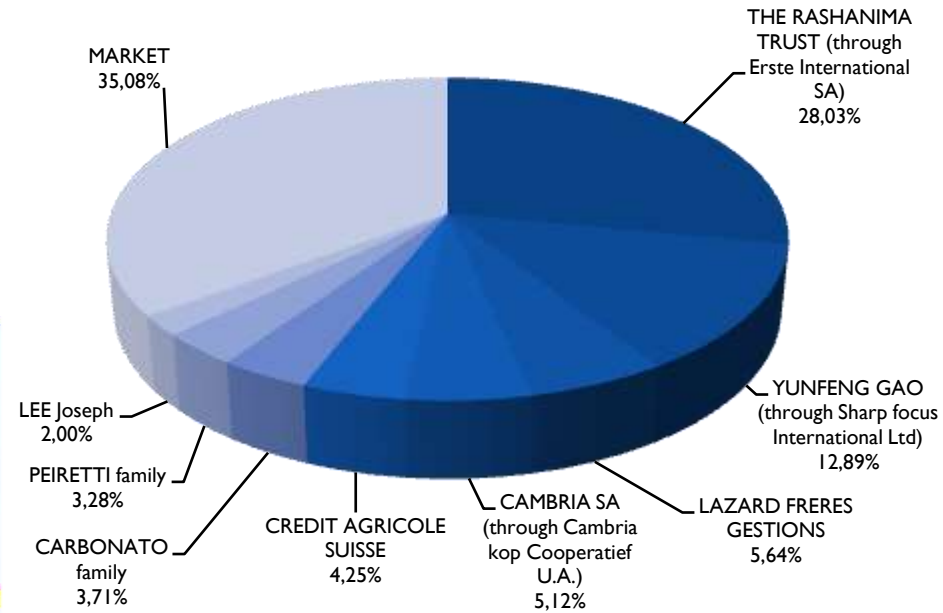
The spread currently paid on Euribor is an average 195-230 basis points.

New covenants have been agreed, based on a Group business plan with adequate headroom

*(loan figures as at 30/09/2011)*



# Stock price & shareholders



Source: Bloomberg



# Analysts' coverage

**Prima Industrie**  
Italy Industrial Engineering

**Target price: EUR 9.30**

**Accumulate**  
Recommendation unchanged

Investing in a laser-powered future



Equity Company Note

## Prima Industrie

Targets Confirmed Thanks to Order Intake Trend

17 November 2011

BUY

Target Price: EUR 10.80

Prima Industrie - Key estimates and data		
Y/E December	2010A	2011E
Revenues	EUR M 250.01	297.51
EBITDA	EUR M 10.37	22.73
EBIT	EUR M 0.35	12.73

### Prima Industrie - Key estimates and data

Y/E December	2010A	2011E	2012E	2013E
Revenues	EUR M 250.01	297.51	327.26	353.44
EBITDA	EUR M 10.37	22.73	31.55	35.49
EBIT	EUR M 0.35	12.73	21.35	25.09
Net income	EUR M -5.97	2.80	8.61	11.37
Dividend ord.	EUR 0.00	0.00	0.00	0.00
Adj. EPS	EUR -0.93	0.32	1.00	1.18
EV/EBITDA	x 19.29	8.78	6.06	5.17
Adj. P/E	x -9.85	21.01	6.82	5.17

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

quarters, after the peak in 2Q10 and 1H11. Labour costs grew by +7%, with a weighting on the value of production of 26.1% (-430bps vs. 3M10), showing the increase in productivity achieved in the last 12 months. Other operating costs grew by 37.6%, related to the strong development of top line. 3M11A EBITDA came in at EUR 13.0M (vs. EUR 4.8M in 3M10), with an approx. 2.8% margin on the value of production. We highlight the EBITDA margin improvement achieved in FY11 that for: 4.3% in 1Q11, 5.8% in 2Q11, 7.1% in 3Q11 (calculated on the value of production). Net Income produced a EUR 3.1M loss, improving by around EUR 5.2M vs. 3M10. We highlight that in 3Q11 the company posted a EUR 288k net profit, thanks to quarterly revenue of EUR 73.7M and an EBITDA margin of 7.5% (calculated on revenue). Net debt was EUR 145.5M, increasing vs. 1H11 (EUR 140.8M) but in line vs. 3M10 (EUR 145.3M), due to working capital absorption which is usual in 3Q in preparation for the strong production which characterizes 4Q).

- Outlook and valuation.** We believe that the acceleration in revenue growth seen in 3M11 makes our FY11E revenue estimate feasible (4Q11E should exceed EUR 54M, +15.7% vs. 4Q10), and that EBITDA should be broadly in line with our estimates (EUR 22.7M). We value Prima Industrie with a DCF model, using the following key assumptions in our valuation: a 7.3% WACC (risk-free rate of 4.75%, an equity risk premium of 2.55%, gearing of around 55%, including warrant exercises), and a conservative 0% terminal value growth. We adopt a fully diluted approach, thus reducing debt by around EUR 15M and increasing shares by 2.24M. We obtain a target price of EUR 10.80/share and rate the company a BUY.
- Key risks:** The Prima Industrie top line is exposed to the worldwide economic cycle, and a slow down could put margins and debt reduction at risk. In our estimates the ratio of net debt to EBITDA also remains high in 2012E, even in the case of warrant exercises (2.5x).



Source: Thomson Reuters

Data period on: 15.11.2011	
Target price (€)	10.80
Market price (€)	58.81
Market price (%)	6.80
52-week range (€)	10.5-9
Market cap (€ M)	58.75
No. of shares (M)	5.64
Free float (%)	42.5
Major shareholder	Fastprime
(%)	Trust 38
Reuters	PRIM
Bloomberg	PRIM
FTSE In All Shares	10010

Performance %		
Absolute	Rel. to FTSE All Sh.	Rel. to S&P 500
-1M	10.5	-1M 16.1
-3M	1.1	-3M 4.6
-12M	2.3	-12M 27.8

Source: Intesa Sanpaolo Research  
edit@intesa.com and Thomson Reuters

See page 9 for full disclosures and analyst certification  
Banca IMI is Specialist in Prima Industrie

Source: IRI distribution. This report issued by  
INTESA SNNBILO

### Prima Industrie: Summary table

PROFIT & LOSS (EURM)	12/2011e	12/2012e	12/2013e
Sales	306	339	360
Cost of Sales & Operating Costs	-292	-318	-333
Non Recurrent Expenses/Income	0.0	0.0	0.0
EBITDA	22.4	30.4	37.0
EBITDA (adj.)*	22.4	30.4	37.0
Depreciation	-9.8	-9.8	-10.1
EBITA	12.6	20.6	26.9
EBITA (adj.)*	12.6	20.6	26.9
Amortisations and Write Downs	-0.2	-0.2	-0.2
EBIT	12.4	20.4	26.7
EBIT (adj.)*	12.4	20.4	26.7
Net Financial Interest	-10.5	-10.0	-9.6
Other Financials	0.0	0.0	0.0
Associates	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0
Earnings Before Tax (EBT)	1.9	10.4	17.1
Tax	-1.3	-4.8	-7.3
Tax rate	41.0%	40.0%	39.0%
Discontinued Operations	0.0	0.0	0.0
Minorities	0.0	0.0	0.0
Net Profit (reported)	1	6	10



Source: Management 4Q Financials  
12%

Analysts: Francesco Previtera +39 02 4344 4033 fprevitera@bancaimi.it  
Paola Saglietti +39 02 4344 4267 psaglietti@bancaimi.it



## APPENDIX

- Products
- Customers



# Prima Power: product range

The Punch



The Punch

The Laser



The Laser

The Bend



The Bend

The Combi



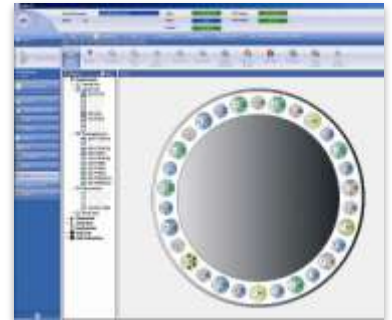
The Combi

The System



The System

The Software



The Software



# Prima Power: product range

## HYDRAULIC AND SERVO-ELECTRIC PUNCHING

The Punch

The Laser

The Bend

The Combi

The System

The Software



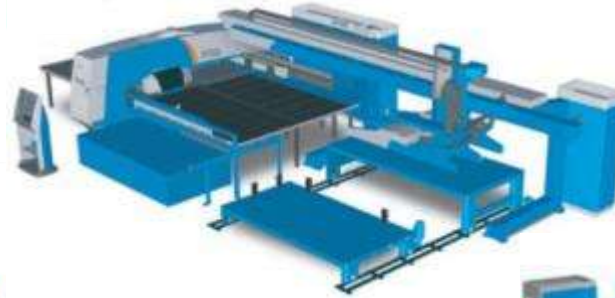
Ex series



E series



C series



Material handling





# Prima Power: product range

## 2D LASER CUTTING MACHINES CO<sub>2</sub> and fiber lasers

The Punch

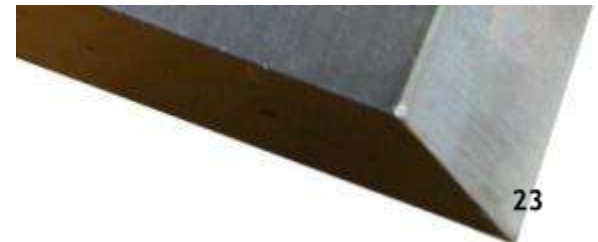
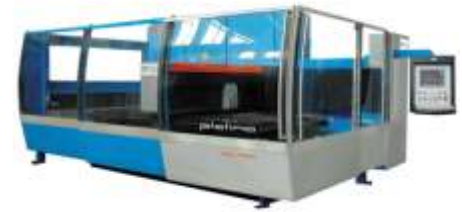
The Laser

The Bend

The Combi

The System

The Software





# Prima Power: product range

## 3D LASER MACHINES CO<sub>2</sub>, fiber and Nd:YAG lasers

The Punch

The Laser

The Bend

The Combi

The System

The Software



CUTTING, WELDING, DRILLING







# Prima Power: product range

PRESS BRAKES, PANEL BENDERS, BENDING CELLS  
Hydraulic and servo electric technology

The Punch

The Laser

The Bend

The Combi

The System

The Software





# Prima Power: product range

INTEGRATED PUNCHING/LASER AND PUNCHING/SHEARING  
Hydraulic and servo electric technology

The Punch

The Laser

The Bend

The Combi

The System

The Software



Integrated punching/shearing



Integrated punching/laser cutting





# Prima Power: product range

A COMPLETE LINE OF AUTOMATION AND FMS

The Punch

The Laser

The Bend

The Combi

The System

The Software





# Prima Power: product range

## CAD/CAM AND PRODUCTION MANAGEMENT SOFTWARE

The Punch

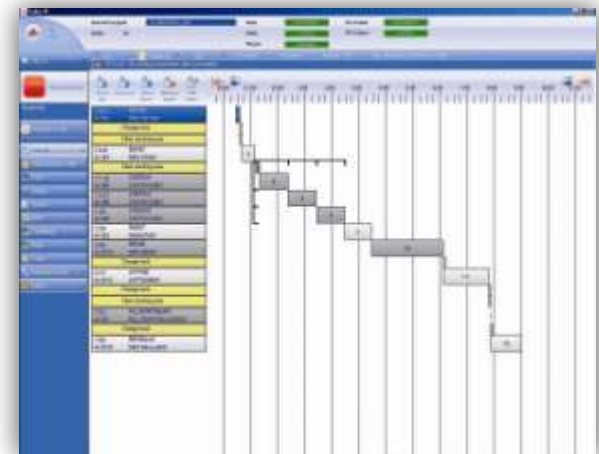
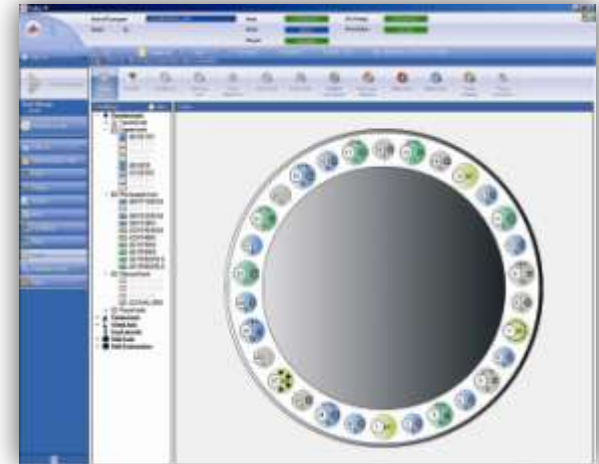
The Laser

The Bend

The Combi

The System

The Software





# Prima Power - selected customers





# Prima Power - selected customers



STILL  
NISSAN FORKLIFT  
Linde  
jurop  
TORO



Electrolux  
Whirlpool  
WOLF  
HAAKON INDUSTRIES  
RIELLO  
HUSKVARNA  
Miele  
imperial  
Halton  
KESSEBÖHMER  
KOJA  
ARISTON  
NOVENCO  
Dantherm Filtration  
systemair

## Miscellanea

Dedicated to People Flow  
KONE  
Schindler  
OTIS  
infrico  
BRP  
IDE Technologies It.d.  
SIGNATURE  
ABLOY  
haizen signs  
ØGLENDE SYSTEM  
DLoco

## Contract manufacturing

EATON  
MECANOVA  
Nu-Way Industries, Inc.  
ILTOM GROUP  
METALLISET GROUP  
Hiasa Grupo Garvati  
LASERLAN  
SANMINA-SCI  
FOXCONN  
SIDERSTAMP S.A.S.  
VG  
VZ VERONALAMIERE Centro lavorazione lamiera  
SIDERORGICA LUCHESE s.r.l.  
dinamic  
cnc cnc plåt  
ANACONDA



# Prima Electro: product range



**convergent**



**dots**

**osai**



Prima Electro  
designs, manufactures and markets for its customers  
industrial-grade dedicated electronics and laser sources  
at competitive prices and fast time-to-market



# Prima Electro - selected customers

## Industrial



## Transport



## Motion control



## Wood / Plastic



## Energy



## Consumer



## Glass / Stone



## Defence & Aerospace

