



Innovation is looking beyond.



POLYTEMS | HIR

Italian Day in Frankfurt

January 29th, 2019





Prima Group at a glance

- Founded in 1977, Prima Industrie is a global leader in **high technology** laser and sheet metal processing systems and electronic components for industrial applications
- Over 13,000 machines installed in more than **80 countries**
- **≈ 1,800 employees** worldwide (~50% in Italy)
- Manufacturing sites in Italy, Finland, USA and China.
- Broad direct commercial and after-sales presence in **EU, NAFTA, BRIC** and other **emerging markets**.
- 2017 sales were **€ 449.5 millions (+14%)**, of which 85% outside Italy.
- Strong commitment to **innovation** (R&D is 5.2% of turnover)
- **Listed** on Italian Stock Exchange (STAR segment) since 1999



Business sectors: Prima Power





Business sectors: Prima Electro



Chicopee (MA) - USA

Fiber lasers

convergent



Moncalieri (TO) - Italy

PCB manufacturing



Torino - Diode Fab - Italy

Diodes R&D - manufacturing



Barone C.se (TO) - Italy

OSAI CNC & drives
Other electronic products

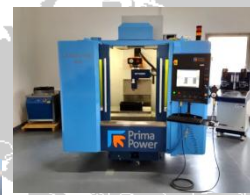




Business sectors: Prima Additive

Collegno (TO) - Italy

R&D additive manufacturing





Sales & service network: EMEA





Sales & service network: APAC & Americas



2015-2019: STRATEGIC ACTIVITIES

Connecting global innovation.

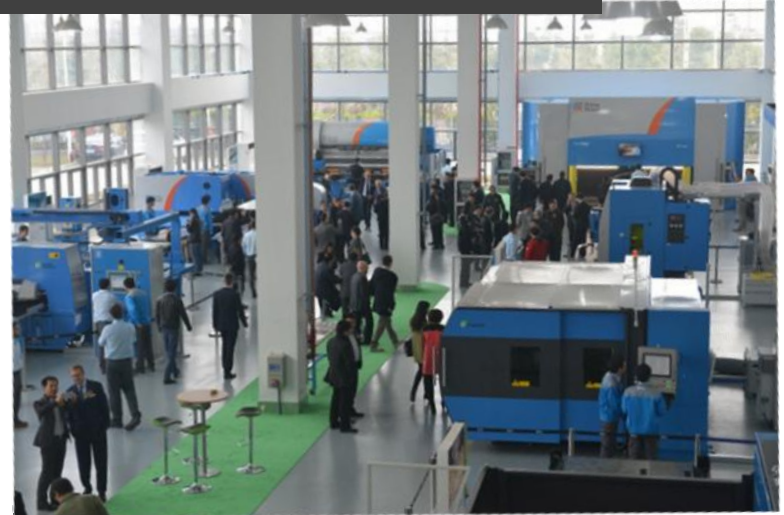




Mar 2015 - New Plant in Suzhou (China)



The plant, which covers a surface equal to 8.000 square meters, hosts manufacturing, sale and after-sale activities for a wide set of metal sheet processing machines. In addition to manufacturing area and HQ offices, the plant hosts a large show room destined to welcome Chinese and Asian customers.

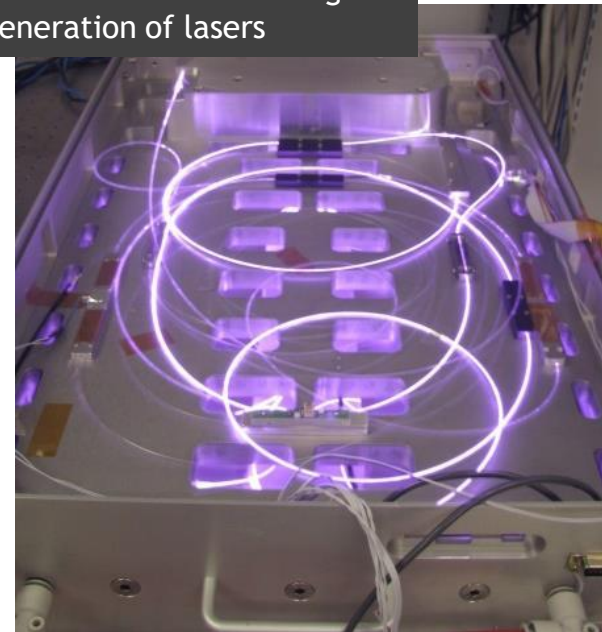
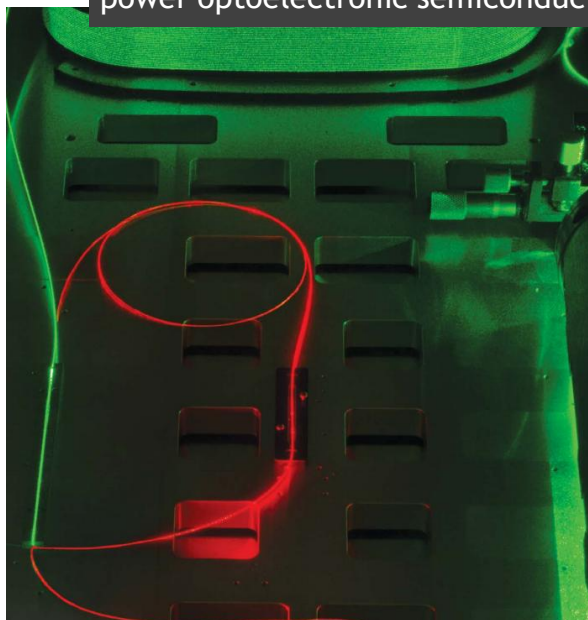




Oct 2015 - Diode Fab for Fiber Lasers (Torino)

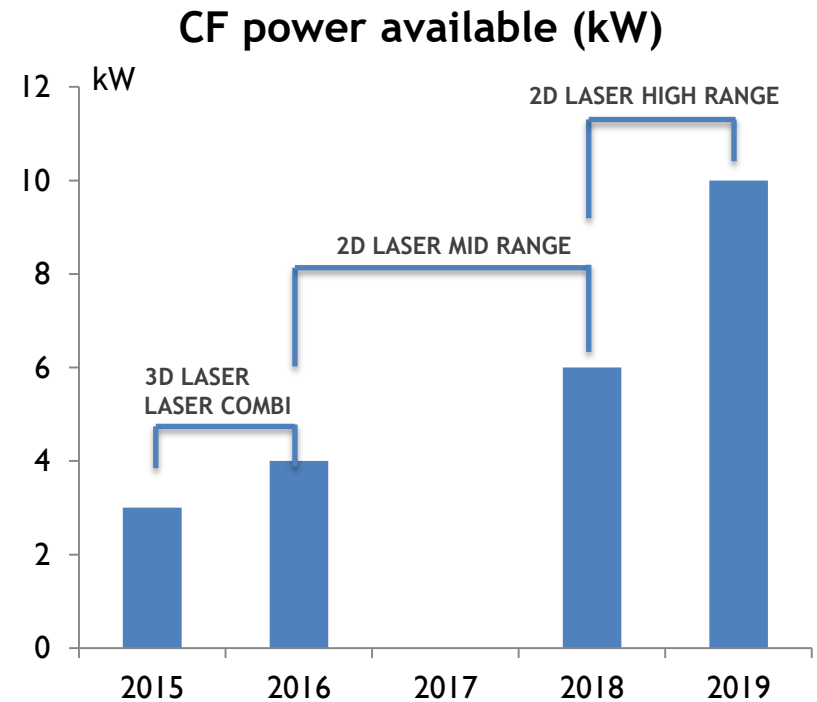
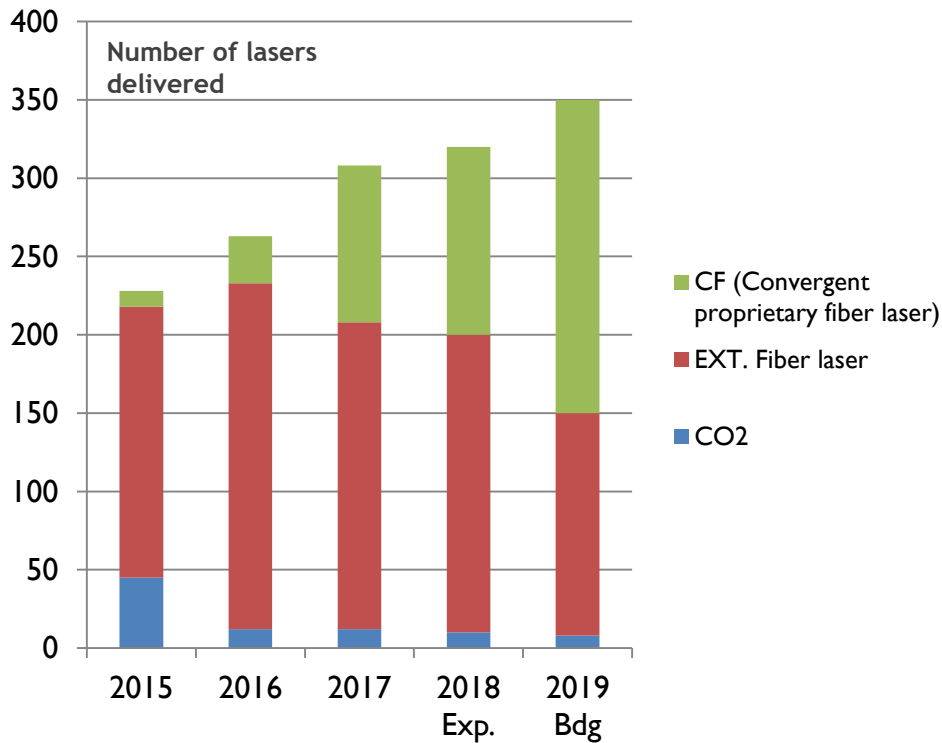


The high tech laboratories host research activities focused on the field of high power optoelectronic semiconductors for the latest generation of lasers





Focus on CF fiber laser family





May 2016 - New HQ and Technology Center in Torino



The HQTc is structured in 5000 square meters of which 2500 are dedicated to the corporate offices and 2500 dedicated to the Demo Room and to the hospitality of the customers. The Demo Room hosts 10-12 Prima Power machines, including a whole production line.





Jun 2018 - Investment in Lead Laser Cangzhou (China)



Prima Industrie, through Prima Power brand, already holds a significant share of the Chinese market of high-end machines (3D laser, systems, panel benders), while it still has a limited presence in the market of 2D laser machines. This investment is aimed at increasing the Group's market share in the Chinese market of 2D laser machines, the largest in the world in terms of size and growth rate.





Jun 2018 - New facility in Munich (Germany)



The new location features a large Show Room and well organized areas dedicated to demonstrations, applications, cycle time studies, training, and conferences. The new location is in the heart of the D-A-CH area, which is strategic for the Group, as it represents the second most important market in Europe after Italy, with 5% of revenues and an installed base of over 1000 machines.

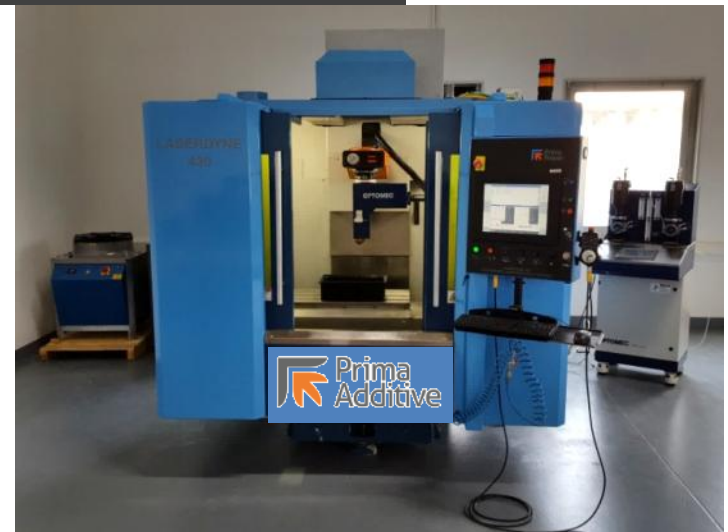




Dec 2018 - R&D + Additive Manufacturing facility in Torino

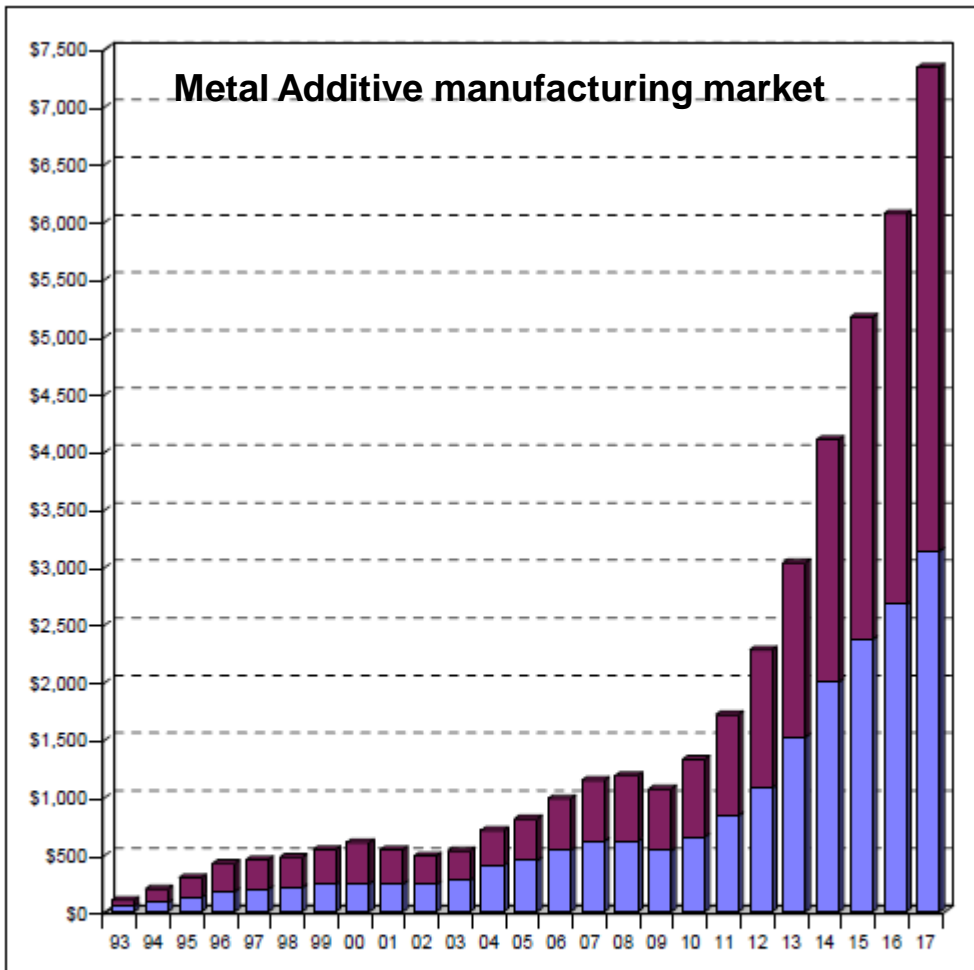


The facility, structured on approx. 3,300 sqm, represents an extension of the HQTC to host the new Prima Additive division in addition to the R&D employees of laser machines development and relevant labs.

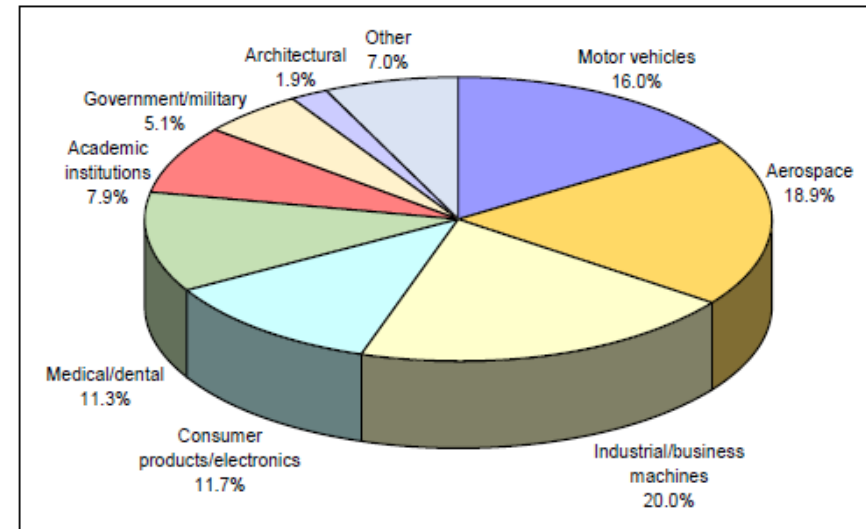




New Additive Manufacturing division



Source: Wohlers Associates, Inc.

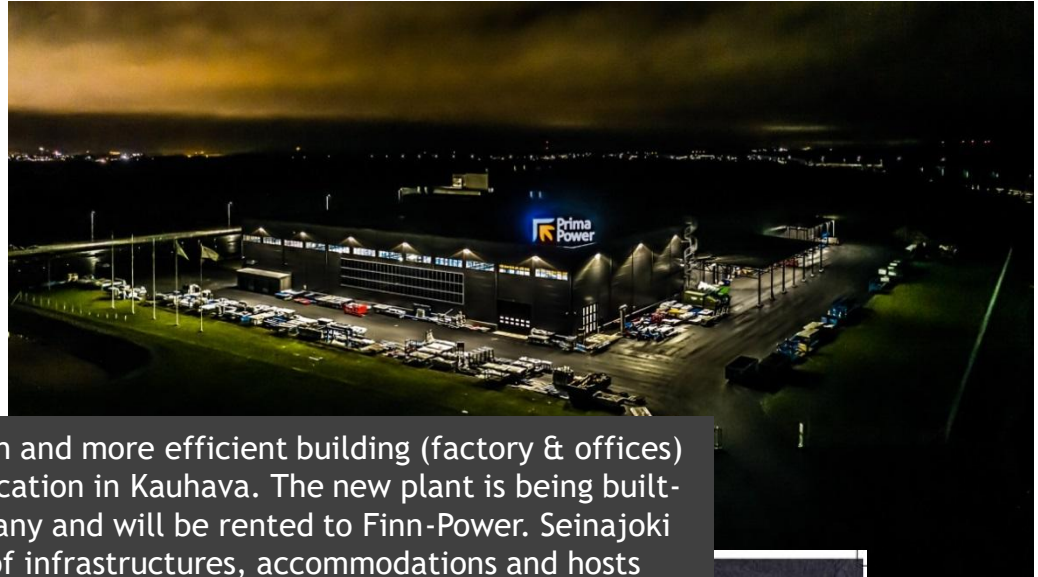


Source: Wohlers Associates, Inc.

The lower (blue) segment of the bars represents *products*, while the upper (burgundy) segment represents *services*. Neither category includes secondary processes, such as tooling, molded parts, or castings. The secondary market segment is reported separately.



Nov 2018 - Finn-Power Oy new Plant in Seinäjoki (Finland)



Finn-Power OY is constructing a new, modern and more efficient building (factory & offices) in the City of Seinäjoki, replacing current location in Kauhava. The new plant is being built-to-suit by a local municipality finance company and will be rented to Finn-Power. Seinajoki offers a more convenient location in terms of infrastructures, accommodations and hosts several schools and a university.



2014 – 2017
Finn-Power Oy
FI16369339

is a company which creates power for the economic future

The company has achieved the high-rating Kite credit classification in the international arena and is thus entitled to this special certificate. The classification is based on the company's long-term excellent financial key ratios, positive background information and good business performance. The classification is granted by Suomen Asiakastieto Oy.

asiakastieto.fi

Evolution to Power





A history of growth

1977 - 1979 START AS ENGINEERING COMPANY

1977
PRIMA PROGETTI
ESTABLISHED



PRIMA PROGETTI S.p.A.
PROGRESS IN MANUFACTURING AUTOMATION

1978
PRIMA ELECTRONICS
ESTABLISHED



PRIMA ELECTRONICS
PROGRESS IN MANUFACTURING AUTOMATION

1979
ZAC - 1ST 3D LASER
MACHINE FOR
AUTOMOTIVE

1990 - 1995 FOCUS ON LASER AND SHEET METAL



1990
RAPIDO

1991
FIRST PANEL
BENDER

1992
ENTRY IN 2D LASER MARKET
WITH LASERWORK

1993
1ST FINN-POWER'S INTEGRATED
RIGHT ANGLE SHEAR



1994
NIGHT TRAIN FMS

1999 - 2007 LISTING - ALWAYS MORE GLOBAL

1999
LISTING ON THE ITALIAN
STOCK EXCHANGE

2001
ACQUISITION OF LASERDYNE



2005
SYNCRONO

1999
FIRST JV IN CHINA
2000
ACQUISITION OF
CONVERGENT - OUR LASER



2003
FIRST SERVO-ELECTRIC
PRESS BRAKE

2004
SERVO-ELECTRIC
PANEL BENDERS

2013 - 2016 STRONG INVESTMENTS

2014
LAUNCH OF LASER NEXT



2015
LAUNCH OF
LASER GENIUS

2015
CHINA PLANT
INAUGURATED

2016
COLLEGNO HQTC
INAUGURATED



1969
FINN-POWER
ESTABLISHED



INDUSTRIAL
PRODUCTS
LAUNCHED

1983
FIRST HYDRAULIC TURRET PUNCH
PRESS, BY FINN-POWER



1985
OPTIMO

1988
FIRST FINN-POWER
PRESS BRAKE

1997
PLATINO



1998
ISO 9001 CERTIFICATION

1998
1ST SERVO ELECTRIC
TURRET PUNCH PRESS

1980 - 1989 GETTING INDUSTRIAL

1996 - 1998 PRODUCT RANGE GROWTH

2008 - 2012

THE BIG CHANGE: PRIMA POWER

2007
ACQUISITION OF OSAI

2008
PRIMA INDUSTRIE ACQUIRES FINN-POWER

INTEGRATION AND GLOBALIZATION

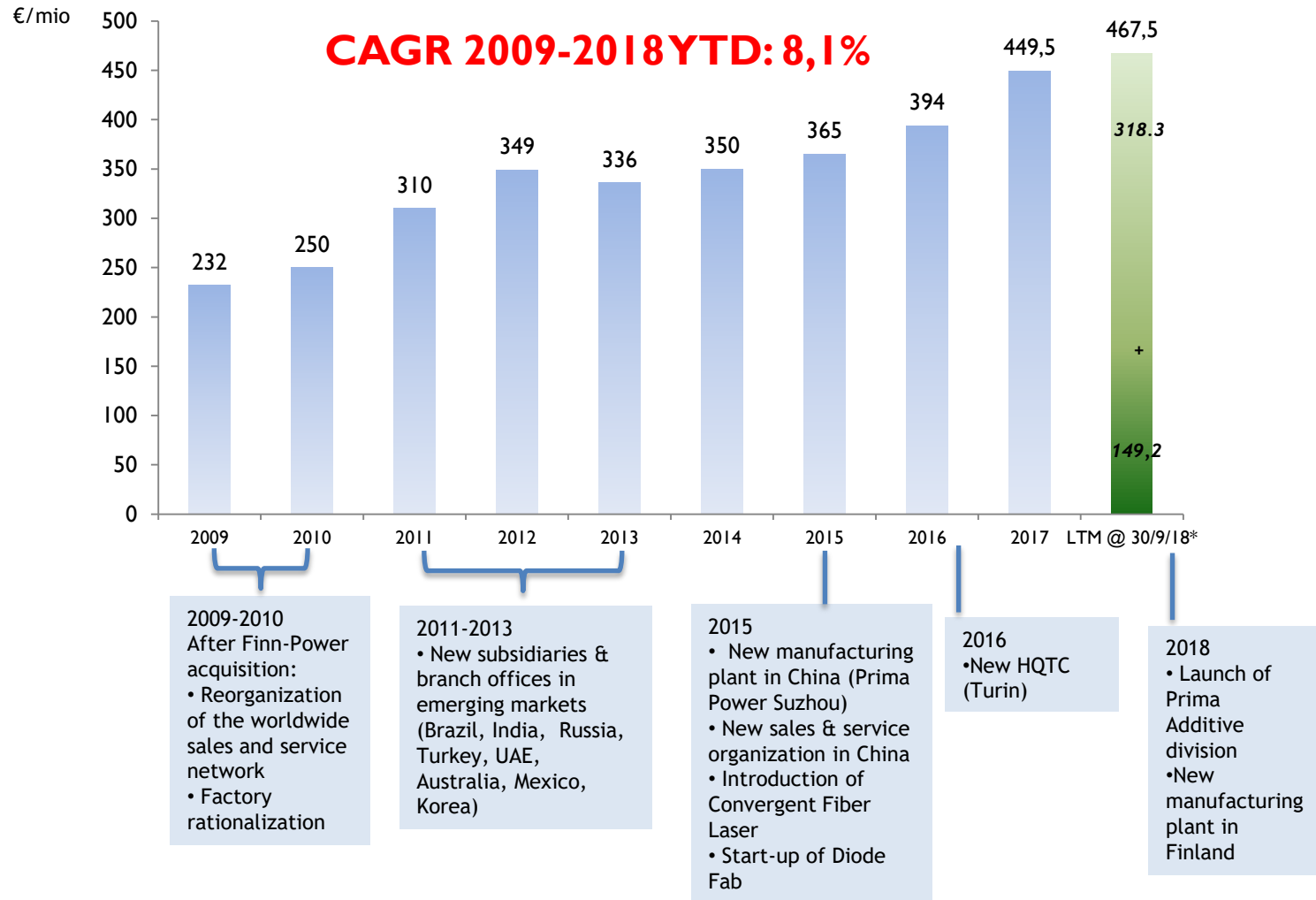
2011
PRIMA POWER BRAND IS BORN
(PRIMA INDUSTRIE + FINN POWER)





A history of growth

Revenues



(*) = LTM @ 30/9/18 includes 12 months from 1 Oct 2017 through 30 Sep 2018



Growth is slowing down

In 2017, the global industrial economy was in its strongest position for at least three years, supported by buoyant global trade. But growth has now peaked, and rising trade tensions come at a time when global industrial activity is already slowing.

Despite the global industry slowdown, economic fundamentals remain solid, and will support some growth even amid the intensifying trade frictions.



The weakening of the internal and external growth consensus is confirmed: uncertainties related to the American commercial policy, slowing of growth in various European economies, progressive increase in interest rates, generalized climate of mistrust of companies and families. The slowdown in Italian exports is more pronounced than in other European countries. This can be attributed to the less positive performance in some specific sectors (automotive, agricultural machinery, ..) and destination markets (China, Japan, Russia).



IPG Photonics announced that it expects revenue for the 3Q18 to be approximately USD355-356m vs old estimates of USD360-390m. In addition, the company added that it expects FY revenue growth to be below the 7-9% range provided on July 31, 2018. Management mentioned that the tariff and trade-related headwinds were the primary driver of weaker than expected performance for business in China and Europe.

Customers in China were more cautious due to heightened political and macroeconomic uncertainties, while order intake in the Americas continued to grow.



TRUMPF



We are monitoring the global economy's development very closely. There are increasing signs that this long phase of recovery could soon be over. We want to be prepared for that. In the current fiscal year, despite the general slowdown of the global economy, TRUMPF expects to generate business with a similar level of profitability.

Prima's resilience

COMMON FACTORS HIGHLIGHTED

- Slow-down of investments in **China / Trade war** effects
- Uncertainty scenario in **Italy**
- Slow-down of investments of **automotive sector**




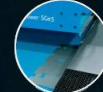




RESILIENCE PHASE THANKS TO DIVERSIFICATION IN:

- Geographic markets
- Industries addressed
- Product portfolio




Prima Power

LASER AND SHEET METAL MACHINERY


<p>THE LASER</p>  <p>2D and 3D laser machines for cutting, welding and drilling</p>	<p>THE PUNCH</p>  <p>Servo-electric turret punch presses</p>	<p>THE SHEAR</p>  <p>Integrated systems punch+shear</p>	<p>THE COMBI</p>  <p>Integrated systems punch+laser</p>
<p>THE PRESS</p>  <p>Servo-electric and hydraulic press brakes</p>	<p>THE BEND</p>  <p>Servo-electric panel benders and bending centers</p>	<p>THE SYSTEM</p>  <p>FMC & FMS to automate your production flow</p>	<p>THE SOFTWARE</p>  <p>Smart solutions to connect your machines and maximize productivity</p>

Prima Electro

ELECTRONICS AND LASER TECHNOLOGIES



CONVERGENT
Fiber and CO₂ Laser sources



OSAI
Motion Control and CNC's



Overcome the slow down with growth

INTERNAL GROWTH ENGINES

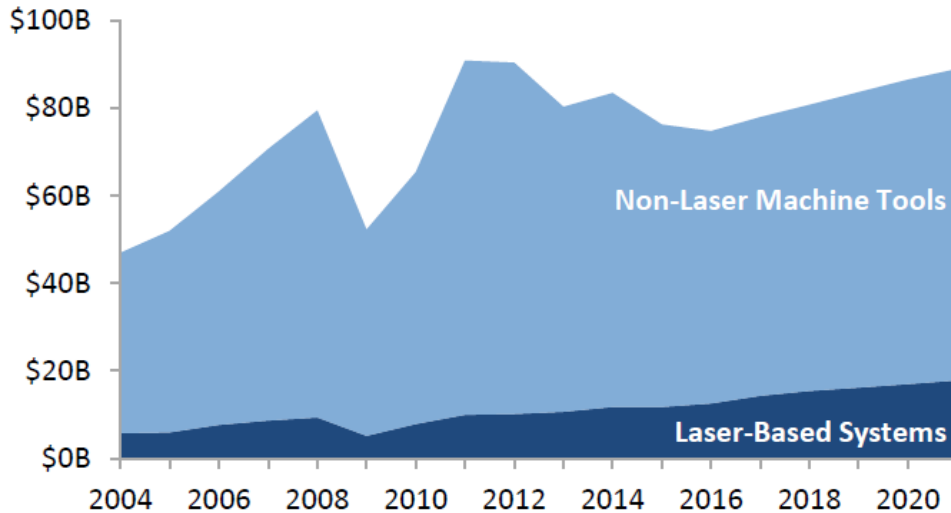
- **Fiber laser & Diodes investments:** boost in profitability expected
- **Lead Laser investment:** fully exploit the relationship
- **Additive Manufacturing:** add on to turnover and profitability





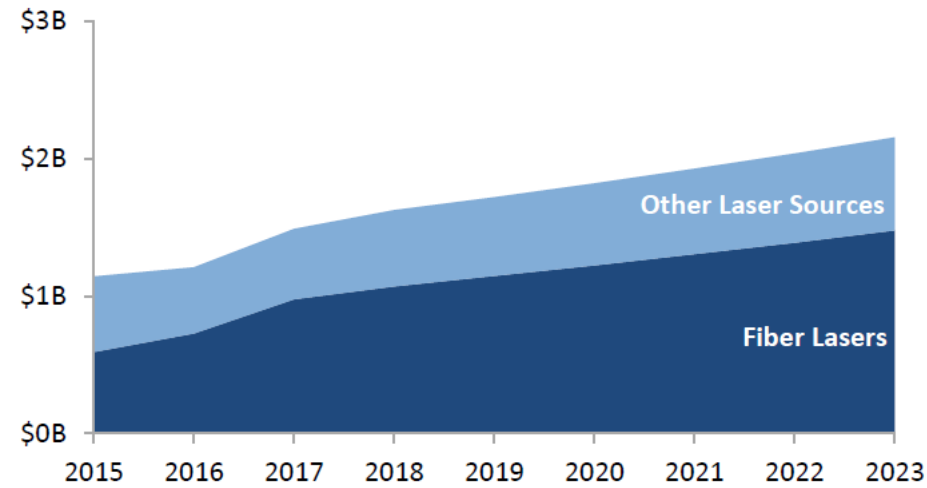
Market trends: machine tool & laser machines market

Global Machine Tool Consumption in 2017: ~\$78B
Global Laser Systems for Materials Processing in 2017: ~\$14B
Laser Systems 18% of Worldwide Machine Tools and Growing



Source: Oxford Economics, Optech Consulting and IPG Photonics Corporation

Fiber Lasers a Growing Percentage of Annual Demand for High-Power Industrial Laser Sources



Source: Optech Consulting and IPG Photonics Corporation

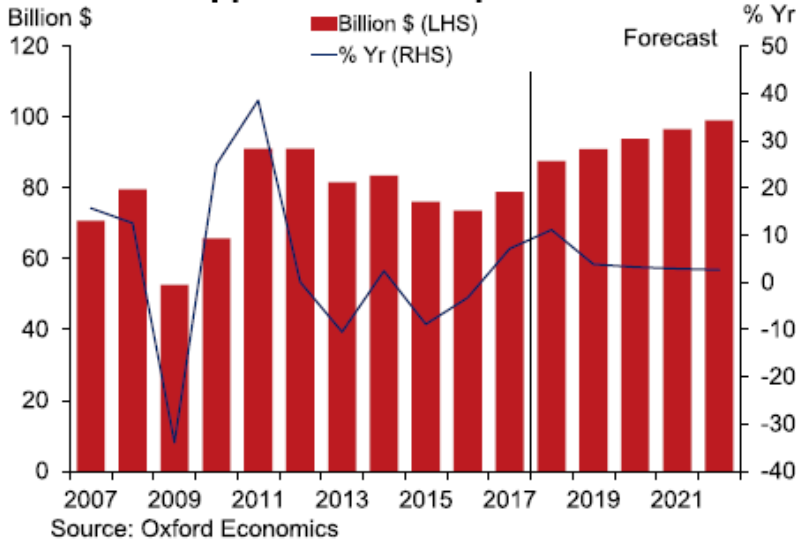


Market trends: machine tool & laser machines market

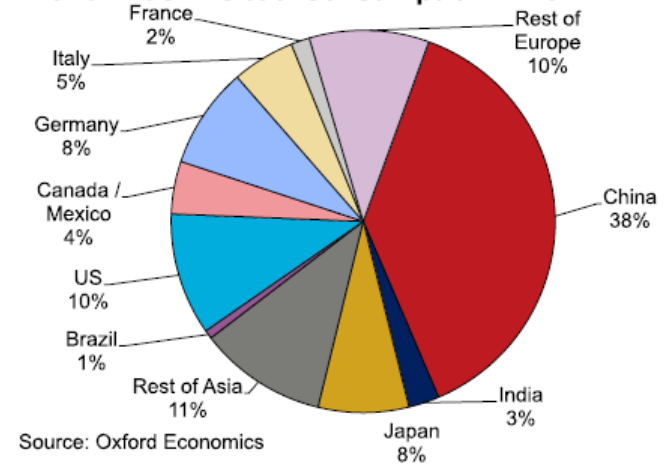
Global Machine Tool Outlook

Autumn 2018

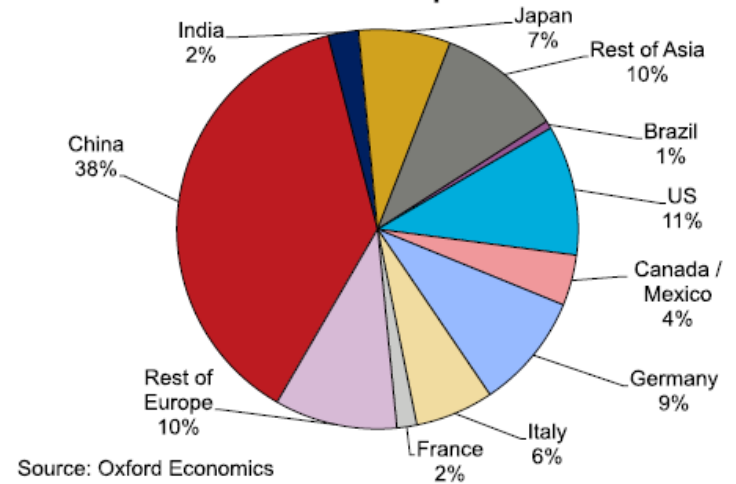
World: MT Apparent consumption



World: Machine tool consumption in 2017



World: Machine tool consumption in 2022

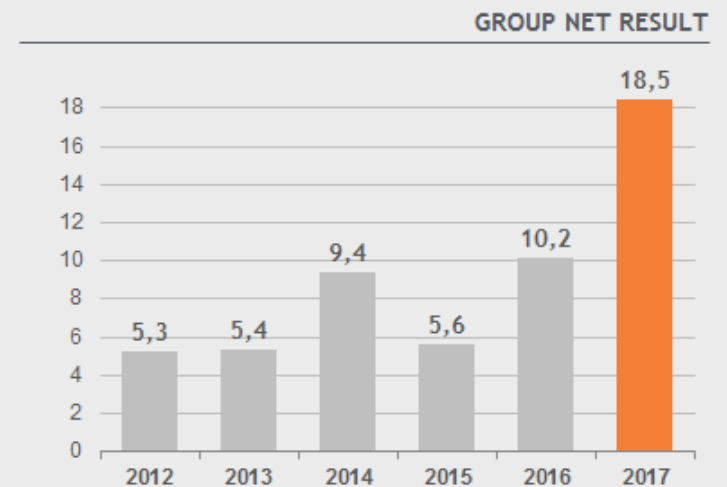
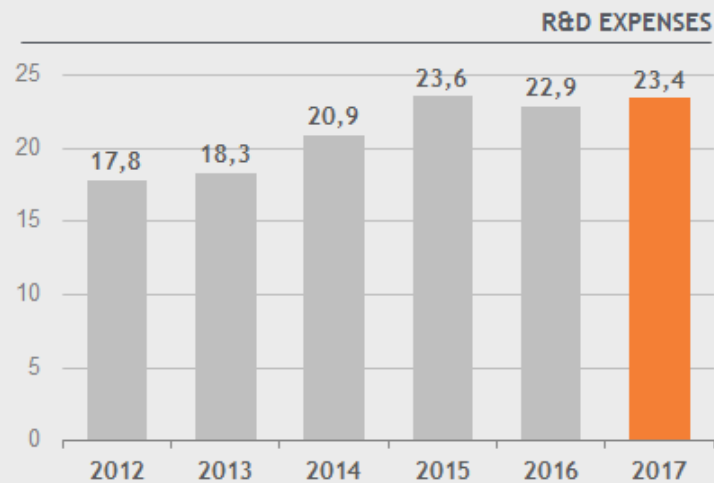
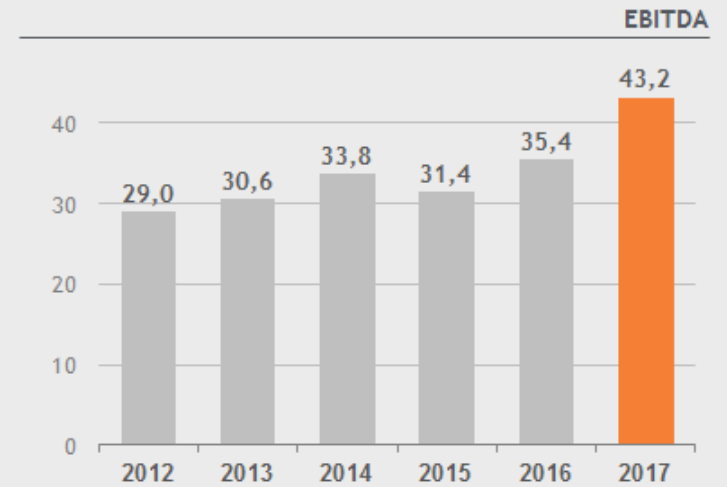
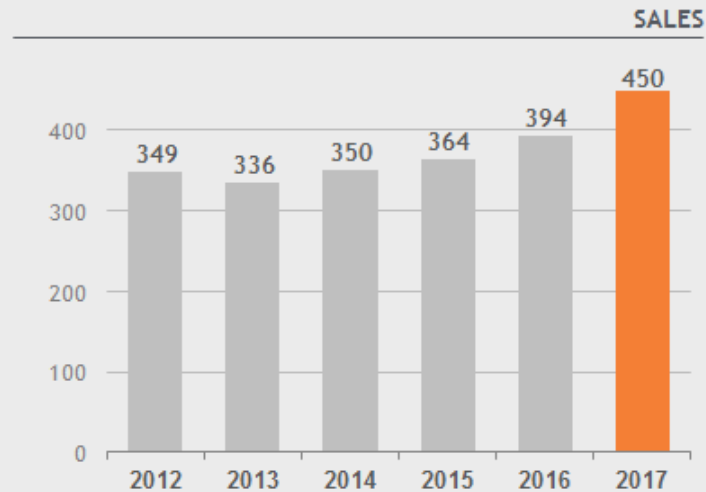




Economic trends

OUR GROUP - KEY INDICATORS

VALUE IN EURO MILLION

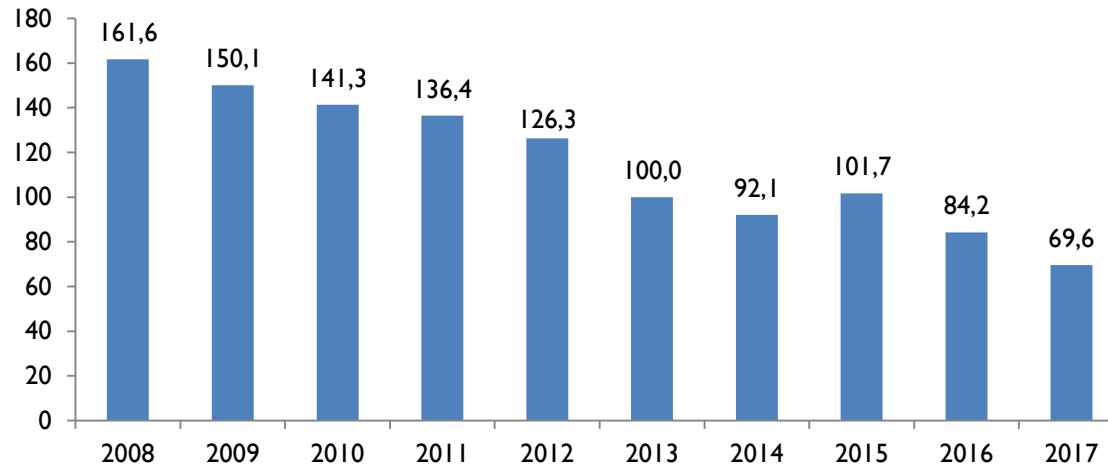




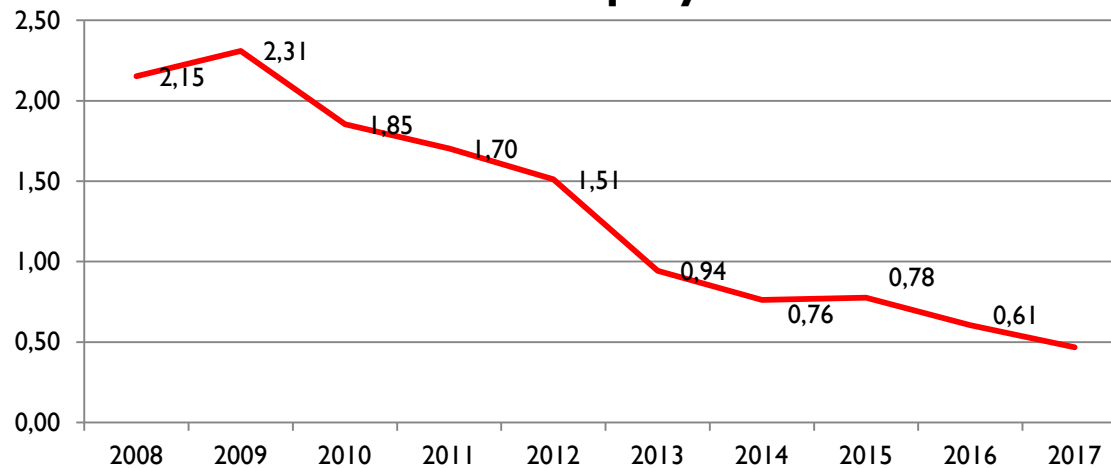
Net financial position trend

€/mio

NFP



Debt/Equity





M/L term debt refinancing on main operations

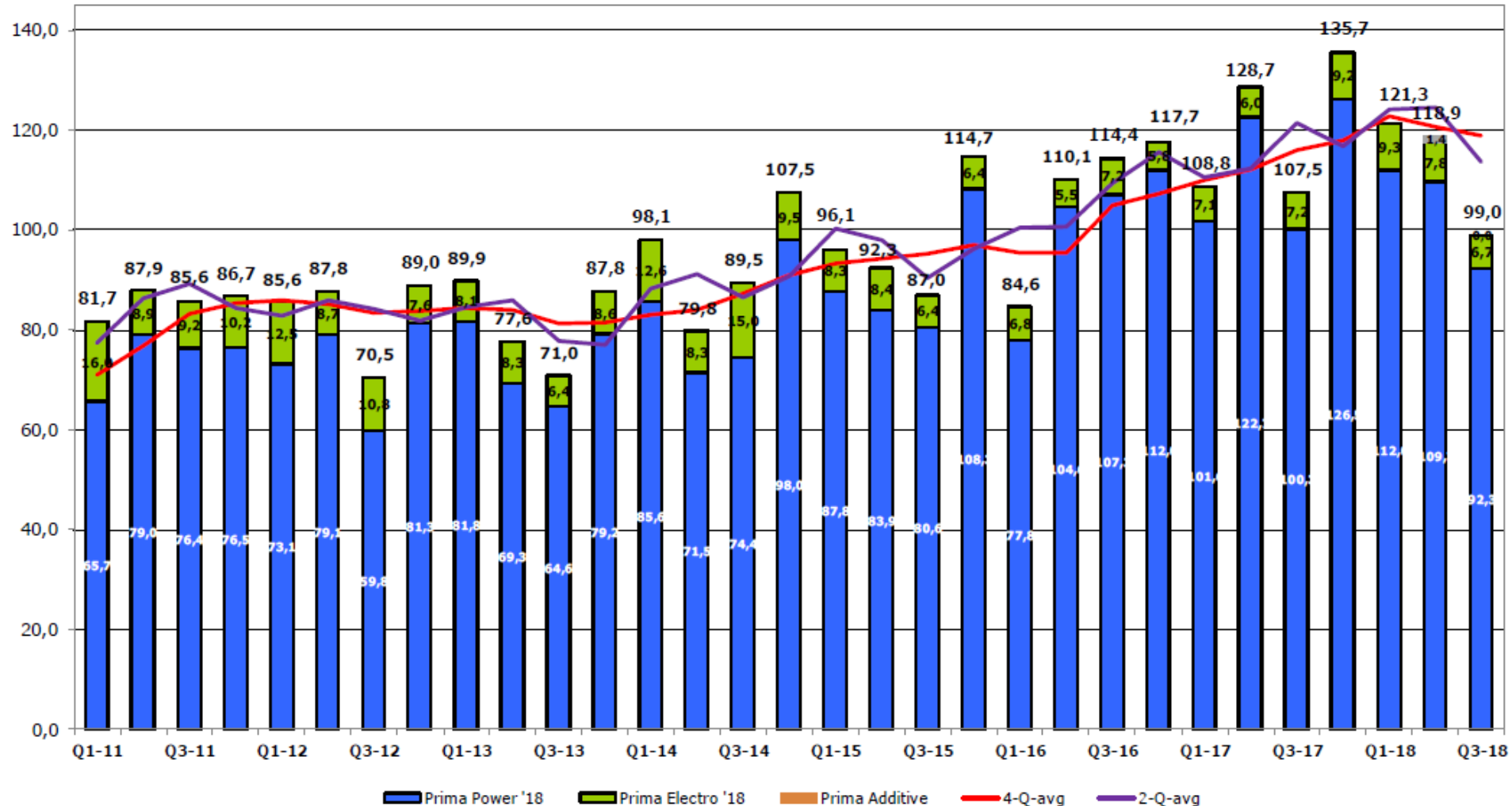
Type	Counterparty	Amount (M€)	Interest rate %	Maturity	Timing for reimbursement	Type	Counterparty	Amount (M€)	Interest rate %	Maturity
BOND	INSTITUTIONAL INVESTOR 1	40	5,875	2022	March 2018	BOND	INSTITUTIONAL INVESTOR 2	25	3,50	2025
TERM LOAN	IT BANKS CLUB DEAL	23	3,03	2021	March 2018	TERM LOAN	BANK 1	25	2,08	2022
TERM LOAN	FINN BANKS CLUB DEAL	20	Euribor +2,50	2020	December 2017	TERM LOAN	BANK 2	20	1,75	2022
TERM LOANS	SEVERAL BANKS INSTALMENTS	25	Euribor +1,75 average	2018/19	2018/2019	TERM LOANS	SEVERAL BANKS	45	1,50	2022/2023
TOTAL		108	3,70	2018/2022		TOTAL		115	2,10	2022/2025

Banks involved:



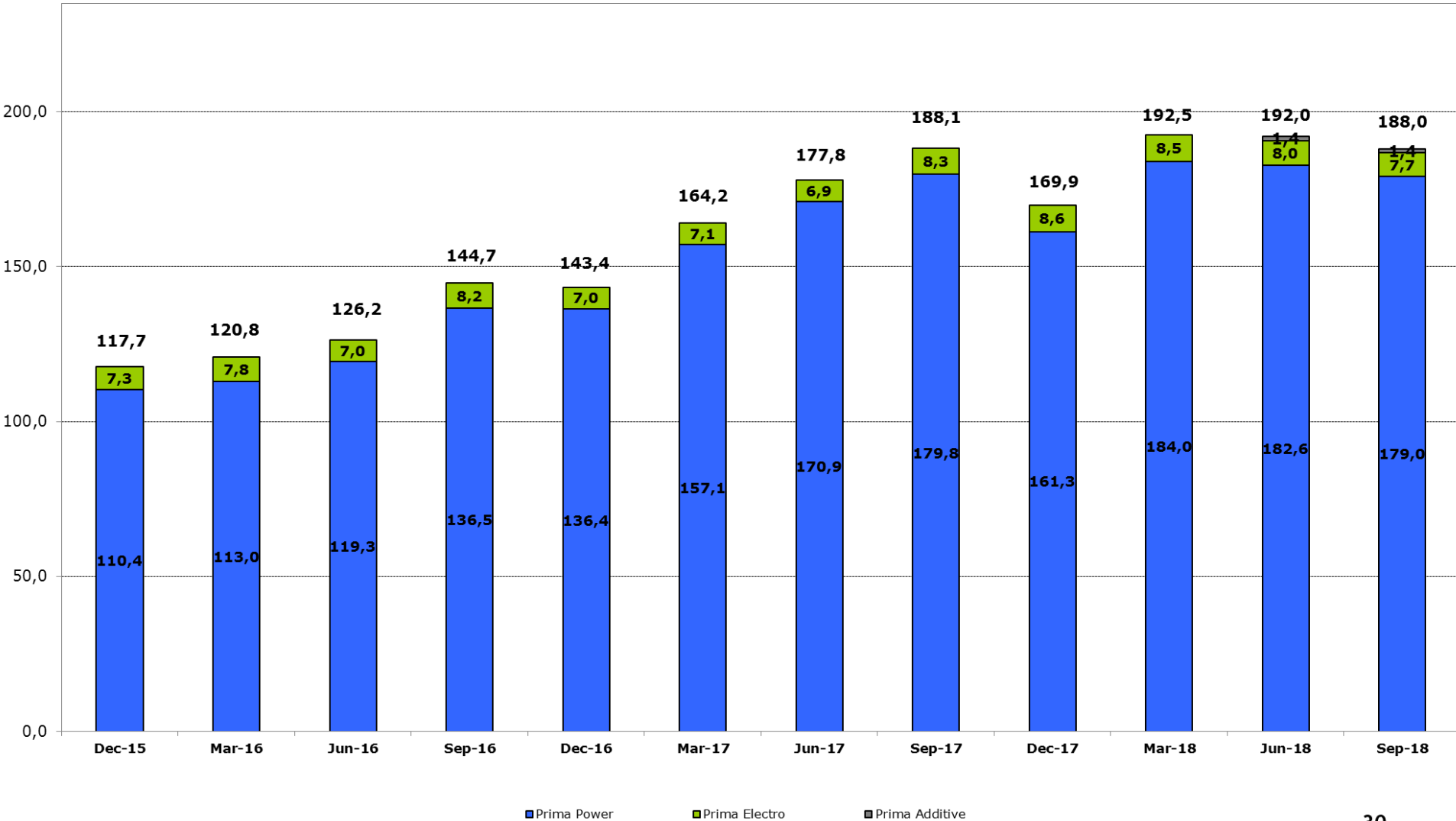


Quarterly order intake since 2011





Quarterly backlog since Dec. 2015





Analysts' consensus

	2018				2019				Company Business Plan
	B. IMI	Mediobanca	B. Akros	Consensus	B. IMI	Mediobanca	B. Akros	Consensus	
	33,0 BUY	30,5 NEUTRAL	33,0 BUY		33,0 BUY	30,5 NEUTRAL	33,0 BUY		
REVENUES	472	475	473	473,3	495,6	488	497	493,5	500
EBITDA	47,56	46	46	46,5	59,47	55	57	57,2	60
EBIT	30,7	30	29	29,9	42,61	38	39	39,9	-
NET RESULT	27,12	25	24	25,4	30,34	28	26	28,1	-
NFP	-71,8	-67	-73	-70,6	-33,9	-46	-42	-40,6	-



MEDIOBANCA *Released November 6, 2018*



BANCA IMI *Released November 27, 2018*

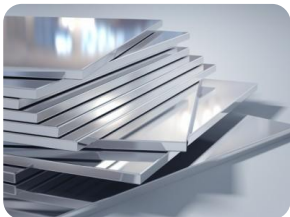
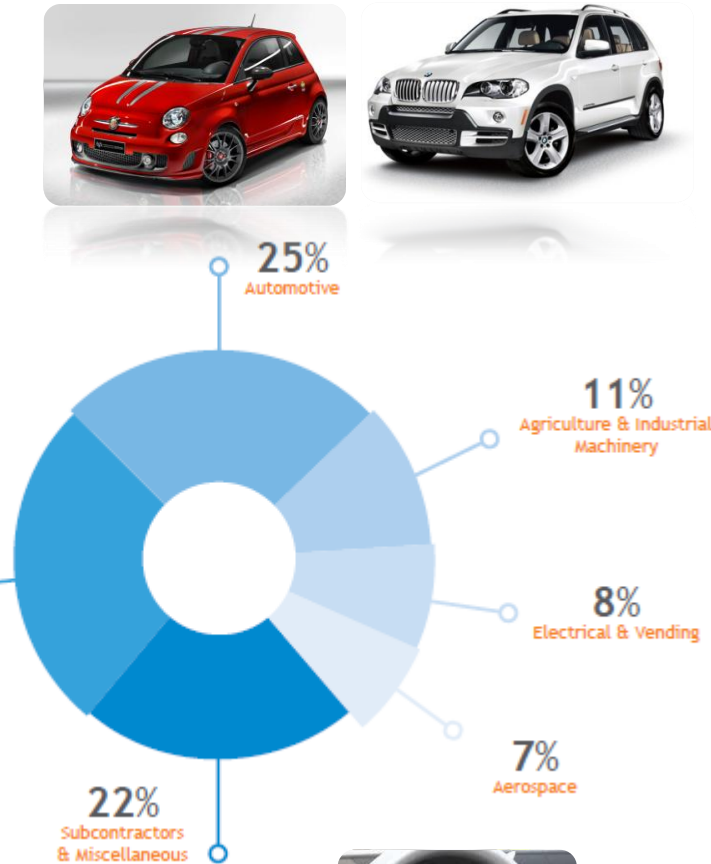


Released December 14, 2018



Machine revenues by application (2017)

MACHINE SALES BY INDUSTRY



Figures FY 2017



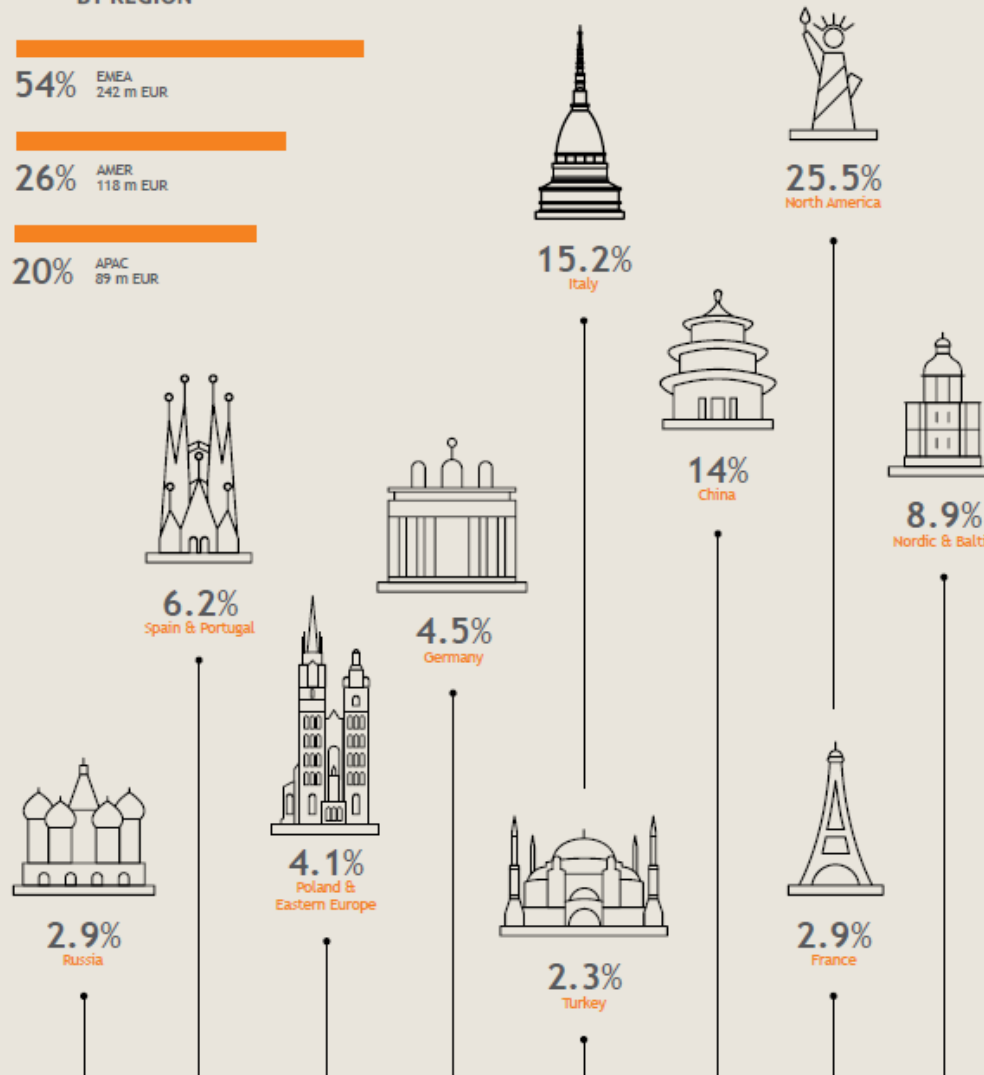
Regional Highlights (2017)

REVENUES BY REGION

54% EMEA
242 m EUR

26% AMER
118 m EUR

20% APAC
89 m EUR





Revenues by technology (2017)





Group Employees

OUR GROUP - EMPLOYEES

VALUE EXPRESSED IN UNITS



+ 117 (7 %) in 2017

Collaboration with Politecnico di Torino for Master in:

- Industrial Automation
- Additive Manufacturing
- Industry 4.0



AVERAGE EMPLOYEE AGE: 39

INVESTMENTS IN YOUNG TALENTS:

+140 (8%) HEADCOUNT IN 2018
(of which 50 in Italy)



A selection from our 2,000 customers ww



RENAULT VOLVO Audi PROTON Ford BMW
 KARSAN 东风汽车公司 DONGFENG MOTOR CORPORATION KYMCO FCA
 Go Further
 Gonvarri Steel Services TATA ITALDESIGN
 SUNGWOO HITECH GEELY MAGNA
 TIBERINA CECOMP
 EDAG GESTAMP
 METALSA Quality as a way of life GRUPO DOVER SISTEMA DE TROQUELES
 SALZGITTERAG Stahl und Technologie
 ORAN 屹豐集團 YI FENG GROUP ThyssenKrupp
 COMAU premier group ENGINEERING EXCELLENCE TESLA



AIRBUS ACE PRECISION LOCKHEED MARTIN
 GE Aviation BOEING SAFRAN Snecma
 Honeywell Kale Pratt & Whitney
 Pratt & Whitney A United Technologies Company WSK „PZL-Rzeszów” S.A.
 Avio Aero TurboCare
 Lufthansa Technik mitsubishi
 Paradigm Precision DONCASTERS NORTHROP GRUMMAN
 HITACHI Inspire the Next STEMAC GRUPOS GERADORES
 ABB SIEMENS Solar Turbines HIMOINSA A Caterpillar Company
 GE Oil & Gas HYUNDAI EMERSON FG WILSON AREVA
 Liebert. Kawasaki
 Joint Stock Company "KALUGATURBINE WORKS"



A selection from our 2,000 customers ww



ELECTRICAL & VENDING EQUIP.
- OTHERS





Industry 4.0

Prima Power Solutions
for Industry 4.0 and
Smart Manufacturing



Ready for today's
production needs...
and for tomorrow



INTELLIGENT MACHINES & FACTORIES

Intelligent machines and automated factories collecting real-time and historical data through sensors and cameras



SMART SOFTWARE

Prima Power software comprehensive portfolio of modular software-based systems



REMOTE DIAGNOSTICS & MAINTENANCE

Data-driven machine diagnostics and predictive maintenance services. Production performance analysis, monitoring of machines status and condition.



Highlights from financial statements as at Sep. 30, 2018

Values in €/thousand	ACT 30.09.18	ACT 30.09.17	Change	Change %
Order Intake	339.489	350.977	(11.488)	-3,3%
Backlog	188.041	188.130	(89)	0,0%
Revenues	318.304	300.306	17.998	6,0%
EBITDA	29.341	29.652	(311)	-1,0%
EBITDA%	9,2%	9,9%	-0,7%	-
EBIT	17.332	17.032	300	1,8%
EBIT%	5,4%	5,7%	-0,3%	-
Net Result	14.422	12.131	2.291	18,9%
FCF	(27.754)	(11.760)	(15.994)	-136,0%
Net Financial Position	(94.797)	(103.122)	8.325	8,1%
Headcount	1.846	1.743	103	5,9%

(% calculated over the revenues)

(headcount in units)

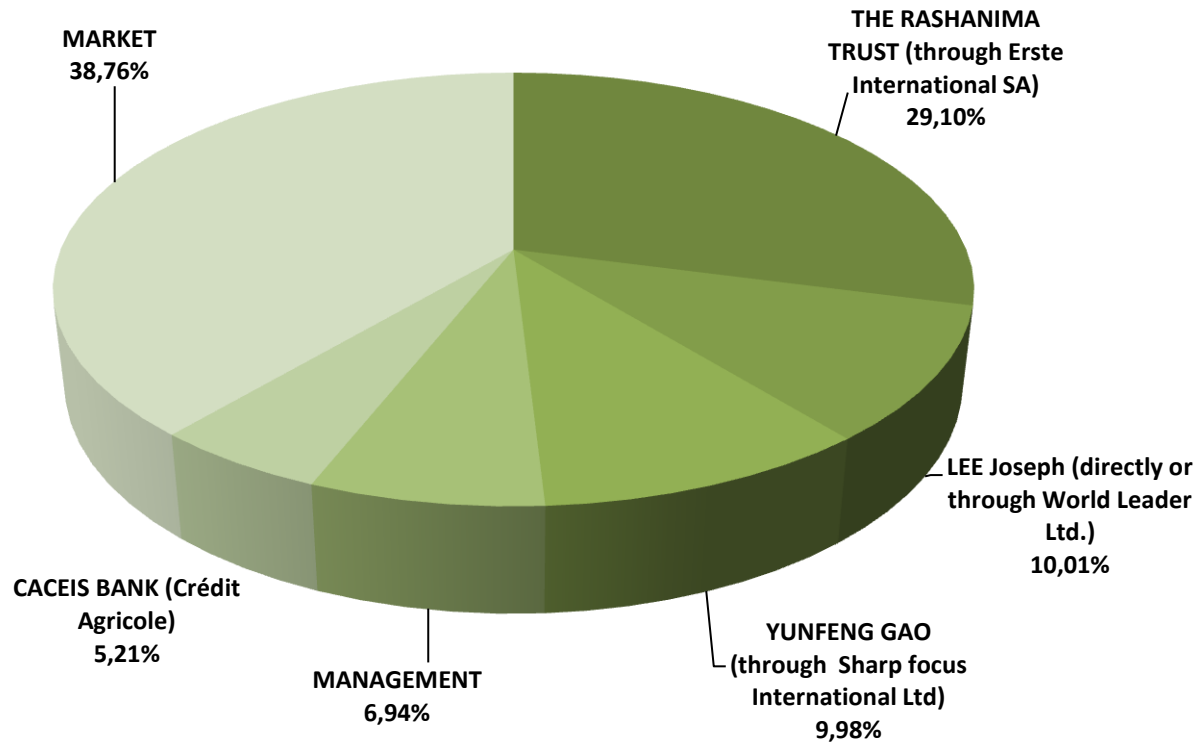
Values in €/thousand	ACT 30.09.18	ACT 30.09.17	Change	Change %
Revenues constant FX	327.894	300.306	27.588	9,2%
EBITDA adj	31.274	30.196	1.078	3,6%
EBITDA adj %	9,8%	10,1%	-0,3%	-
EBIT adj	19.574	17.599	1.975	11,2%
EBIT adj %	6,1%	5,9%	0,2%	-

(% calculated over the revenues)

- Revenues up +9,2% at constant exchange rates
- Prima Electro recovery in revenues and margins
- EBIT Adj at 6,1% slightly better than Sep 2017
- Net Profit growth thanks to EPS gain but negatively affected by non recurring costs and refinancing expenses
- Improvement of the NFP; + €8,3 mil compared with Sep'17



Shareholding structure



THANK YOU !

Welcome to the forefront of **innovation**.

