PRIMA INDUSTRIE

It's in our nature to evolve

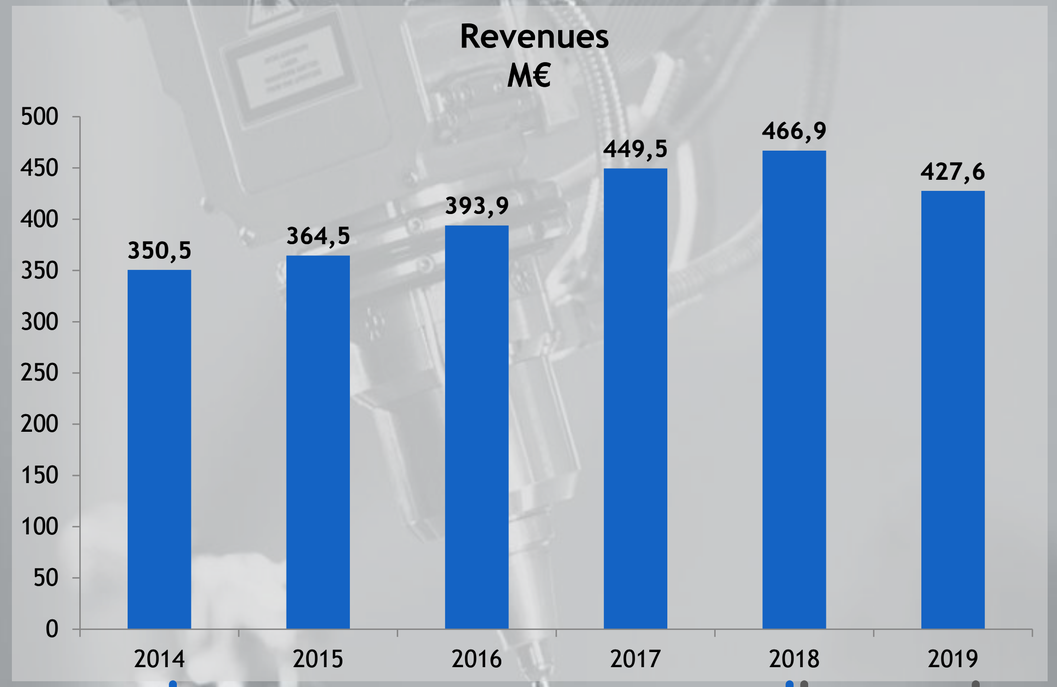
INTESA SANPAOLO

IMI CORPORATE & INVESTMENT BANKING

ISMO 2020 **September 24, 2020**

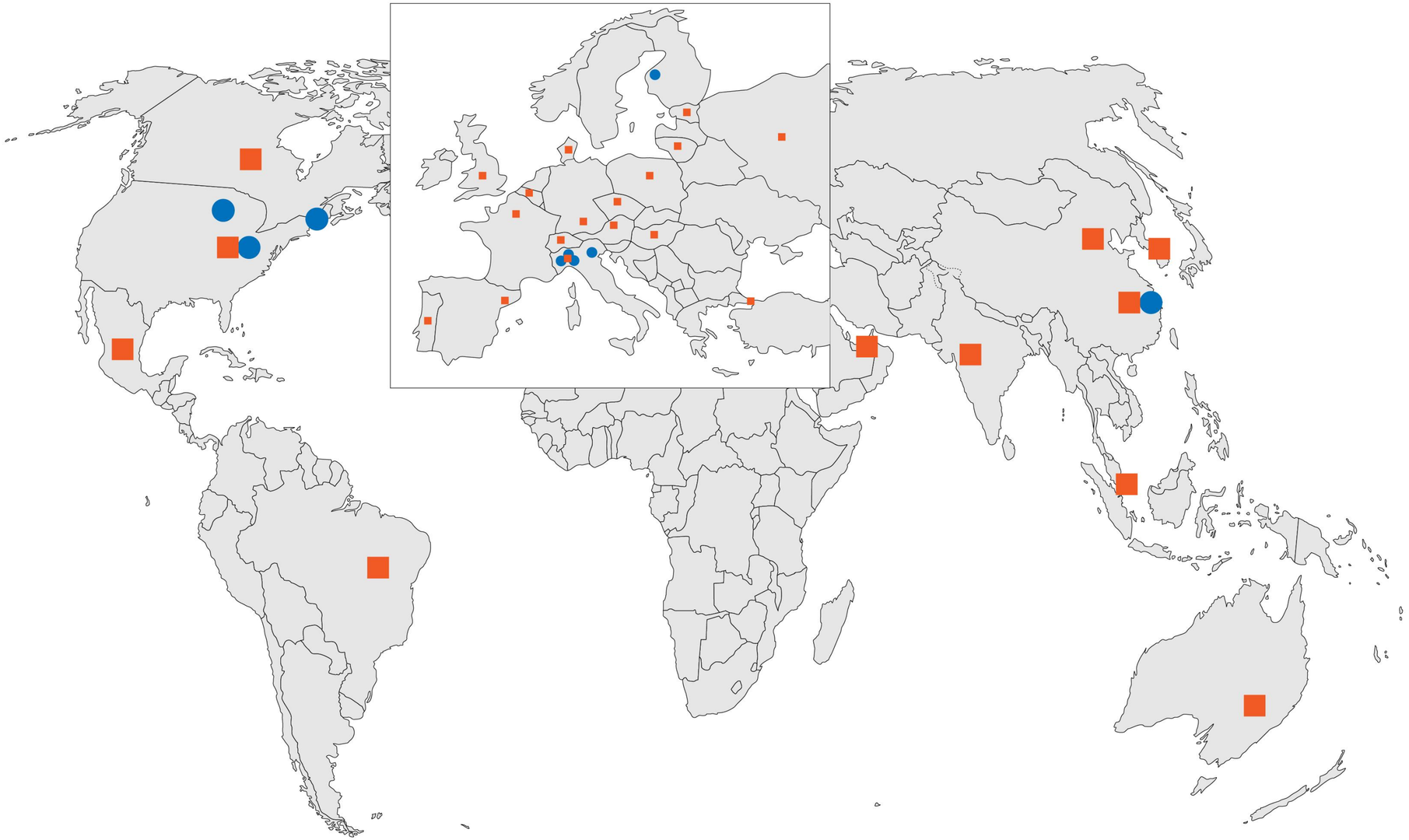
PRIMA INDUSTRIE

- **INCORPORATED IN 1977**
- LISTED IN 1999 (20+ YEARS)
- 8 PLANTS IN ITALY, FINLAND, USA, CHINA
- SUBS & BRANCH OFFICES IN ADDITIONAL 25+ COUNTRIES
- **FOCUS ON INNOVATION (5%+** INVESTMENT IN R&D)
- GREAT ATTENTION TO CSR ISSUES (PEOPLE, ENVIRONMENT FRIENDLY ELECTRIC MACHINES, OPEN INNOVATION,…)
- ≈**1800** PEOPLE
- **13,000+** MACHINES IN **80+** COUNTRIES



WORLDWIDE DIRECT PRESENCE

DIRECT PRESENCE IN ≈ 30 COUNTRIES – ADDITIONAL 50 COUNTRIES COVERED BY DEALERS OR AGENTS



PRODUCTION

SALES & SERVICE SUBSIDIARIES/BRANCH OFFICES

PRIMA INDUSTRIE

OUR MAIN LOCATIONS

2D – 3D Laser
Collegno (ITALY)

Laser -Electronic systems –
Barone C.se (ITALY)

Electronics –
Moncalieri (ITALY)

Panel Benders – Press brakes
Cologna V.ta (ITALY)

Punching – Combi – Systems – Seinajoki (FINLAND)

WW HQ & TECH CENTER – Turin (ITALY)

Sales & service – Munich (GERMANY)

CHINA HQ – Suzhou

US HQ – Chicago

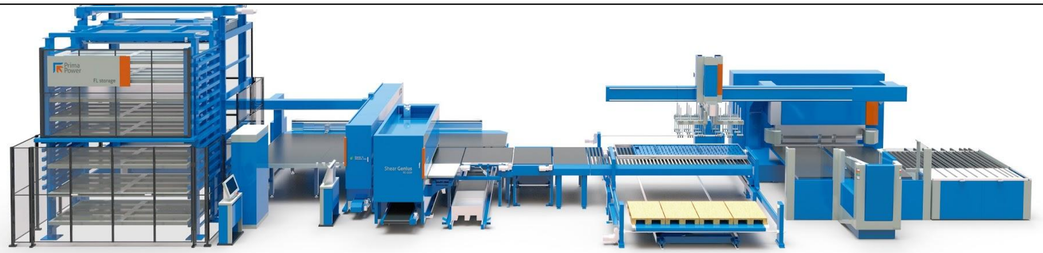
Laserdyne – Minneapolis (USA)

Convergent Lasers – Chicopee (USA)

PRODUCT RANGE

LASER MACHINES

SHEET METAL PROCESSING MACHINES & SYSTEMS



ELECTRONICS & LASER SOURCES

SERVICES

ADDITIVE MANUFACTURING

THE 2D LASER PRODUCT RANGE

Platino

Platino Fiber

Laser Genius +

Laser Genius

Laser Sharp

THE 3D LASER PRODUCT RANGE

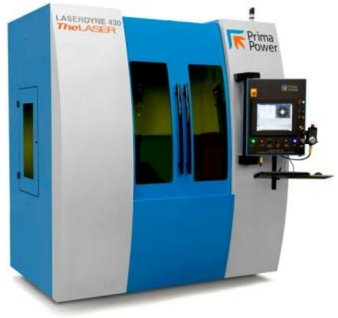
Laser Next 1530

Laser Next 2130

Laser Next 2141

Rapido

Optimo



LASERDYNE 430

LASERDYNE 795

LASERDYNE 811

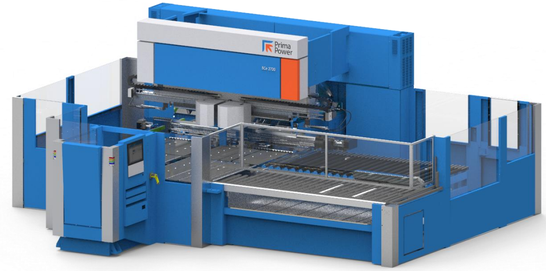
THE BEND & THE PRESS PRODUCT RANGE

THE BEND

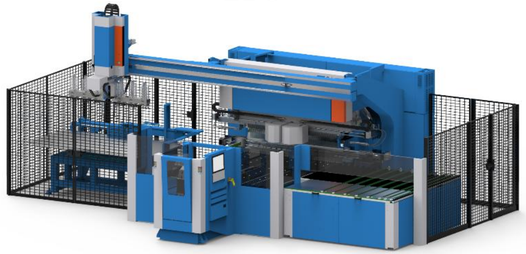
FBe

BCe Smart

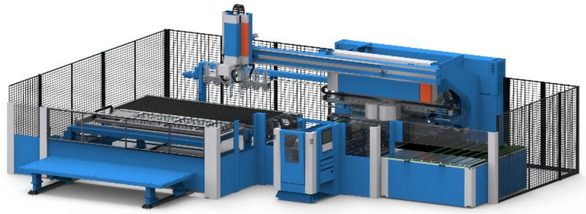
BCe



EBe



EBe FM



THE PRESS

eP

hP

eP Genius

THE COMBI PRODUCT RANGE

Combi Sharp

Combi Genius

Punch Sharp

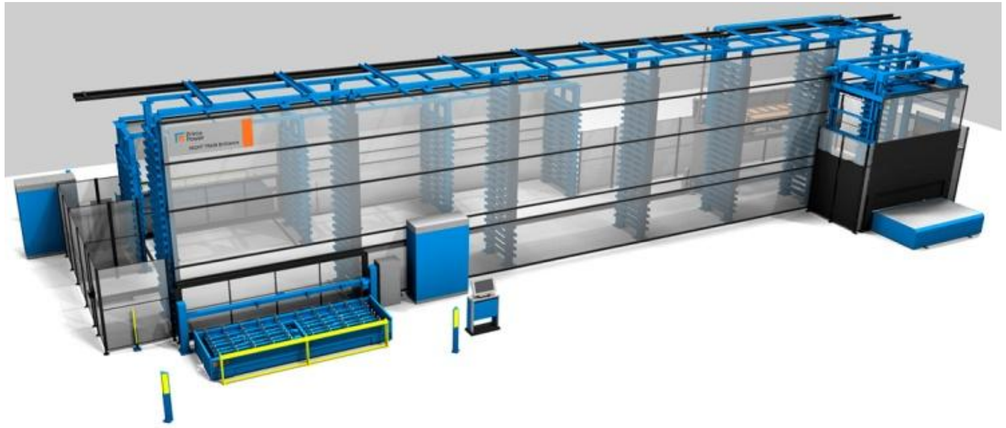
Punch Genius

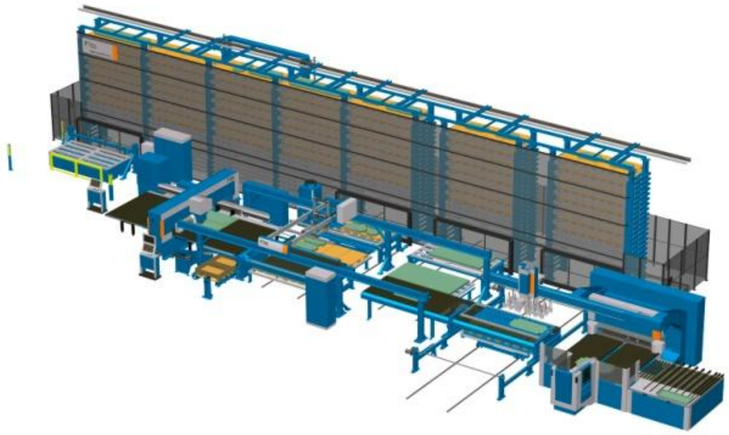
Shear Brilliance

Shear Genius

PSBB LINE

LPBB





Night Train

Prima products are present on two different market segments, with very different features

-A- MASS MARKETS

Market size >1b€/each
Market share <5%

Markets:

- 2D Lasers stand-alone
- Punching machine stand-alone
- Hydraulic/Hybrid press brakes stand-alone
- Fiber Lasers

Our Mission is to have market share on a mid/high end of each of the above markets
Positioning strategy is paramount

…Just like a car "Premium" manufacturer needs A and B models...

MARKET SHARE < 5%

-B- NICHE MARKETS

Market size <500m€/each
Market share >20%.
One of first 3 companies worldwide.

Markets:

- 3D Cutting Lasers. PP rank 2nd
- Shear-Punch. PP rank 1st
- Panel Bending. PP rank 2nd
- Systems. PP rank 1st/2nd
- e-Brakes . PP rank 2nd
- 3D Drilling Lasers. PP rank 1st
- AM DeD. PA rank 2nd as target

MARKET SHARE > 20%

OUR BRANDS

Prima Power

LASER AND SHEET METAL FABRICATION MACHINERY

Prima Electro

ELECTRONICS AND LASER TECHNOLOGIES

Prima Additive

METAL ADDITIVE MANUFACTURING SOLUTIONS

REVENUES BY TECHNOLOGY 30/06/2020

OUR GROUP | INDUSTRIAL SECTORS WE SERVE

Aerospace 9.4%

Automotive 10.1%

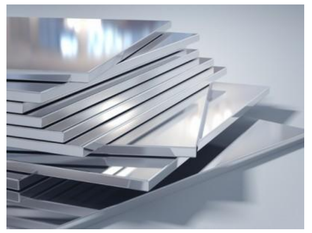
Construction & Building 27.1%

Energy 2.0%

Mechanics & Machinery 11.2%

30/06/2020

REVENUES BY END MARKET



Subcontractors 24.9%

Yellow Goods & Trucks 0.8%

Healthcare, Medical & Other 2.6%

White Goods & Commercial Equipment 2.3%

Steel Furniture & Panels 9.6%

AEROSPACE

Pioneering new technologies in the aerospace industry

Our products are in high demand in the aerospace industry. The majority of the commercial engine manufacturers and their supply chain worldwide currently use our machines for precision manufacturing processes.
Increasingly manufacturers are updating their traditional manual welding, drilling, and cutting process by using a laser to weld, drill, and cut their 3D parts. A Laserdyne offering coupled with a fiber laser is a recognized leader in this endeavor. The global commercial aircraft gas turbine engine market is expected to grow at a CAGR of 5.62% (2018-2022)(*)

Prima Power Laserdyne machines are highly accurate and a very efficient tool for 3D welding, drilling and cutting applications. They are used for both aircraft turbine engine static and rotating components, structural parts, exhaust systems and silencers. Because of the unique design and versatility the machines are used in complex 3D shaped welding, laser drilling holes, and laser cutting. One typical use is the drilling of effusion cooling holes on hot turbine engine parts.

Prima Additive solutions, which cover both Powder Bed Fusion and Direct Energy Deposition technologies, have dynamic implications in the aerospace industry. The application of copper or Inconel 718 structural parts for satellite launchers, and aluminum engine parts used for ultralight aircrafts, are promising new technologies in the field.

Above all, our machines provide customers with the accuracy, stability, and reliability needed to consistently produce top-quality parts that meet the most stringent requirements of the aerospace industry.

(*) Source: Technavio Research

1

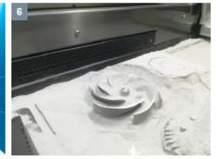
2

3

4

1 Prima Additive Print Sharp
2 Turbine engine
3 Aeroengine turbine impeller and vanes
4 Laserdyne product family
5 BeamDirector drilling a turbine vane
6 Powder Bed Fusion process

5



6

1

2

3

4

5

1 Automotive side frame
2 Automotive exhaust pipe
3 High Strength Steel door ring
4 Laser Next machines at automotive plant in Germany
5 3D laser head processing a car B-pillar
6 Prima Power 3D laser family

AUTOMOTIVE

On the cutting edge for automotive manufacturing since 1979

Prima Industrie Group has been breaking ground in the laser cutting of car components since 1979. Since then, we have established our premier role in the market through many firsts, most significantly the cutting of High-Strength-Steel (HSS) and of hydroformed tubes.

Our 3D laser family is applied to the construction of structural and body automotive components. With it, car manufacturers and their first tier suppliers receive highly dynamic and specialized solutions including part fixturing and loading/unloading systems. Our customers have come to rely on our intense cooperation with automotive industries for the building of sustainable manufacturing processes. Our solutions are eco-friendly because we employ the most efficient fiber laser sources in the market.
Today's automotive industry faces several manufacturing challenges: shortening cycle times, improving process reliability and streamlining material work flow. At the same time, the end market demands sustainability, fuel savings and safety.

Prima Industrie Group provides a solution to all of these needs. With it, our customers build lighter weight yet more rugged vehicles that have reduced fuel consumption, lower emissions, and increased safety for drivers and passengers.

We also provide solutions for another important automotive industry need: prototyping. Additive Manufacturing is gaining ground for the production of prototypes or small series for car components such as exhaust pipes, heat exchangers, gearboxes, etc. This technology creates lightweight components, reduced assemblies and integrated performance features that are impossible to achieve with traditional machining methods. Here too, Prima Industrie Group is on the forefront of laser technology applied to the automotive industry.

6

CONSTRUCTION & BUILDING

Meeting sector demands with sustainability in mind

The demand for commercial and residential buildings, as well as infrastructure, is growing due to an increase in the global population and the concentrations of people choosing to live in big cities. This has a big impact on offices and other public places where people gather, responding to this trend with the production of elevators, safety exits, and fire escape doors made of metal.

Megatrends such as digitization, sustainability, and efficiency are drivers in this industry. Sustainability also affects the construction machinery industry. These demands require more effort than simply reducing energy consumption and the use of resources. Prima Electro empowers customers in their development of solutions that comply with market standards such as the IP65 certification.

Prima Power machines can produce 90% of the parts used in the manufacturing of: elevators, escalators, metallic parts for false ceilings, lighting fixtures, air conditioning or air treatment systems such as HVAC. Superficial facades on buildings that require finishing in aluminium or composites and specialized lighting are important applications of the technology. Engineering intelligent lighting systems means also moving from mere utility to elements of design, with an increased demand for complex forms, aesthetical quality, and flexibility in production.

Our PSBB (Punching-Shearing-Buffering & Bending) or FMS (Flexible Manufacturing System) offer optimized solutions to the challenging demands of the sector. They feature a centralized stocking system that connects to punching or laser cutting and bending machines, or the more traditional press brakes.
The main benefits of our solutions for this sector are high productivity combined with flexibility, high quality part machining, also in case of complex profiles, and the use of energy-efficient and sustainable technologies.

1. Automatic bending of a steel door
2. Steel elevators and doors
3. HVAC system
4. PSBB manufacturing line
5. Frequency inverters for motor control
6. Ceiling lights

1. Turbine manufactured with AM technology
2. Solar panels and wind mills
3. Pipelines orbital welding system
4. Prima Power Laserdyne drilling application
5. Laserdyne 795 for AM applications
6. Laserdyne system welding combustor ring

ENERGY

Creating powerful and efficient solutions for the Energy sector

Prima Electro solutions are key parts used for the production and distribution of present and future energy. Energy storage systems, photovoltaics, micro-turbines, and co-generators are only a few of the applications. Energy markets need to combine their technologies with electronic control and generation devices, increasing efficiency levels and adhering to environmental regulations.

With increasing demand for safe, efficient, and reliable power generation, the energy sector continues to migrate to turbine, engine-based generators. Prima Power Laserdyne products are widely used in the Energy sector, providing precision welding, drilling, and cutting to create parts used for power generation.

Prima Power Laserdyne is a recognized leader in the supply of products and manufacturing processes used in many compartments of the land-based turbine engines **because of the precision and capability of the machine.** The manufacturers of the turbine engines are updating their traditional, manual welding, drilling, and cutting processes, using fiber lasers to weld, drill, and cut their 3D parts. Laserdyne products are used in the turbine engine's static and rotating components, structural parts, air ducting, exhaust systems, and noise silencers. The machines are used in the drilling of effusion cooling holes on hot turbine engine parts, the cutting and welding of complex 3D shaped engine components, and the welding of air ducts for the turbine engines.

Prima Additive solutions, which cover both Powder Bed Fusion (PBF) and Direct Energy Deposition (DED) technologies, have important implications for the Energy sector. Recently, an agreement was signed with Enel that is aimed at the manufacturing of a DED machine dedicated to on-the-spot repair of turbine parts, impellers, and parts subject to wear and tear. PBF technology is also used in the Energy sector, mainly for the manufacturing of the small series of impellers, gears, and reducers. AM technology applies the Circular Economy trend, allowing for the implementation of a new business model.

HEALTHCARE & MEDICAL

Meeting the demands of the Healthcare sector with innovative applications

An aging population and longer life expectancy have led to the demand for orthopedic implants and hip replacements at a steadily increasing rate.

Prima Industrie Group has extended its product line into the orthopedic implant market, which uses titanium, nickel-cobalt alloys, and stainless steel - the same materials used in the aerospace and turbine engine sector. Prima Power Laserdyne has extensive knowledge in the precision laser welding, drilling, and cutting of these materials.

The level of precision and control featured by the Laserdyne product line, together with Prima Power Laserdyne's process knowledge, is improving the manufacturing efficiency and quality of the parts used in orthopedic implants. This knowledge has enabled orthopedic implant manufacturers to implement flexible, highly consistent, and precise manufacturing processes for the welding and cutting of 3D orthopedic parts.

Additive Manufacturing is also gaining ground in the Healthcare sector. Powder Bed Fusion technology by Prima Additive is used to manufacture parts using titanium or cobalt-chromium materials that are biocompatible with human tissue to create customized orthopedic or dental implants.


1


2

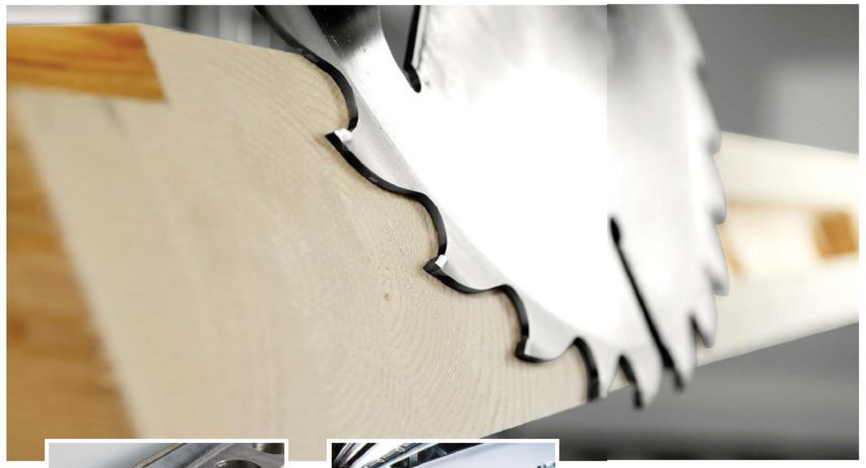

3


4


5

1. Prima Power Laserdyne 430
2. Spinal implants manufactured with Print Sharp
3. Medical devices processed with Laserdyne machines
4. High performing Laserdyne beam delivery
5. PBF technology
6. Laserdyne BeamDirector


6




1


2


3


4


5

1. Tooling repair with AM
2. Glass working machine equipped with OSAI CNC
3. 2D laser machine Laser Genius
4. OSAI OPEN*control* CNC's
5. OSAI COMPACT *console* TS2
6. Prima Power fiber laser cutting head


6

MECHANICS & MACHINERY

Satisfying market requirements with a full range of technologies

Our offerings in this sector range from numerical control, to laser and sheet metal cutting machines, to Additive Manufacturing. Extensive experience as CNC machinery manufacturers helps us meet sector requirements and achieve the perfect partnership for these applications.

NC machine builders and end users have different requirements depending on the market they belong to, but they have some needs in common for the numerical controls equipping their machines, such as faster fieldbuses, inter-operability between devices supplied by different manufacturers, as well as being able to perform "turnkey" system requirements that are easily manageable and perfectly integrated. Ethernet support is the foundation for the interconnection between all the OSAI - Prima Electro OPEN*control* product line. This allows the exchange of information between control units, the monitoring of several systems, customer support from a remote location (remote service), as well as communication with supervisory systems, rendering the OPEN*control* products compliant with I4.0 requirements. In this way, **Prima Electro satisfies market requirements by offering complete solutions that are highly technological, flexible, modular, and easy to use.**

The entire Prima Power sheet metal machinery range of products is used in this sector for the manufacturing of sheet metal parts, including machine tool protection panels and carters of all sizes. Noteworthy benefits of our machines in this sector are high productivity combined with flexibility, precision, and reliability.

The usage of Additive Manufacturing systems in this field is mainly applied to die repairing and customization (for example, the addition of custom features or other materials to existing ones). Repair and re-use are at the heart of the new Circular Economy, which endeavors to maintain the value of products and materials for as long as possible.

YELLOW GOODS & TRUCKS

Increasing agricultural equipment production through the latest technologies

Available farmland will only increase by 5%, while the world population will grow by 40% in 2050 to 9.6 billion. New technologies such as precision farming, GPS-enabled tractors, and devices to monitor individual crops, will contribute to the production of 70% more goods than today.
Harvesting operations in developed countries are being increasingly subcontracted to service companies, reducing investment and optimizing the use of expensive equipment.

Parts manufactured with our products include tractors, harvesters, implements, livestock and poultry equipment, storages, and postharvesting equipment, as well as light and heavy construction machinery.

Our solutions for this sector are the cutting and bending of thick and thin materials via 2D high-powered laser cutting machines, servo-electric and hydraulic press brakes, and combination machines (punching and shearing/laser) to prepare kits for the welding shops.

The benefits of our solutions include high productivity, edge precision, and process reliability.

1

2

3

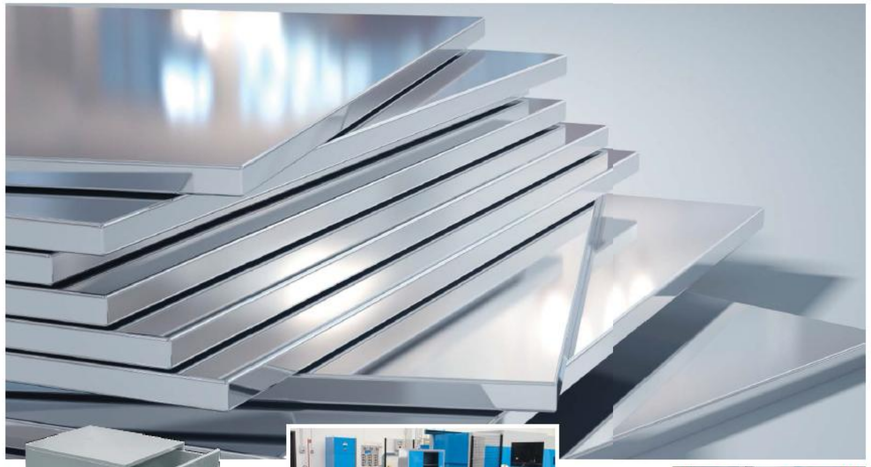
4

5

1. Laser Next 2141
2. Metal parts for multi purpose loader
3. Laser cut tractor frame
4. Large size 2D machine Laser Sharp
5. 3D fiber laser head
6. Multiple laser machines installation in Brazil
7. Harvester component

6

7



1

2

3

4

1. Steel drawer
2. Steel furniture
3. Fully automatic panel bender
4. Flexible Manufacturing System
5. Prima Power Night Train installation in Austria

5

STEEL FURNITURE & PANELS

Producing slick furniture solutions in steel

If metal furniture was traditionally bought for factories and offices, today it is increasingly being used in places such as schools, hospitals, and gyms, where efficient, wellorganized spaces are needed. The modern trends meet the use of prefinished, high-quality materials, which respond to the need of a contemporary design and innovative aesthetical standards, as well as of lockers, which are located in easily accessible public spaces and can be used for courier delivery.

Our innovative technologies can cut, punch, and bend most of the steel furniture parts, apart from a few commercial components. Parts manufactured with our products include electric cabinets, office furniture, storage carts, and mobile working platforms, which is only to name a few.

Among our top solutions for this sector are: punching and cutting lines with angle shears, plus other integrated technologies like forming, threading, and so on, in combination with automatic bending where, in a continuous process, you start from the raw blank up to the finished part, which is ready for the next working stages like painting or welding. We offer different solutions regarding production cells for cutting and bending, responding to various volume or batch needs. Due to its total automation and flexibility, the panel bender is the sector's flagship technological innovation.

The main benefits of our solutions include: increased productivity, thanks to a high level of automation, flexibility, sustainability, high quality of the parts worked (both aesthetically and in terms of shape) and ability to cut and bend complex profiles.

WHITE GOODS & COMMERCIAL EQUIPMENT

Leading the customization of white goods

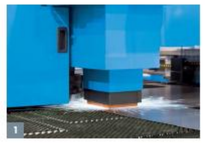
Given the variety of product models available that can be made in every shape, size, and design, there is a growing need to tailor products specifically to the needs of the customer. In addition, the growing trend of simplifying the daily user's life with smart phone level technology being applied also to white goods, translates to a greater variety of functions and customizations. Without a doubt, highly flexible and dynamic systems are needed that also meet the highest aesthetical standards. Traditionally, stainless steel is used because it pairs long lasting quality with low maintenance. The combined need for top quality and short delivery times thus requires ultra-modern manufacturing tools.

Our products are typically used to manufacture refrigerator doors and panels, ovens and cookers, sinks, kitchen hoods, cabinets, commercial kitchens, buffet systems, self-service systems for hotels and canteens, and stoves.

This sector requires solutions that combine rapid productivity, flexibility, and high-quality standards. We offer both stand-alone machines and manufacturing lines for punching, cutting, and bending. In particular, stand-alone machines are always scalable since our automation modules can be integrated incrementally according to customer needs at the time.

The Combi Genius combined punching/fiber laser cutting system is a perfect solution thanks to its servo-electric technology and the integration of different processes. Additionally, it can perform even the most complex machining requests, ensuring the highest quality and throughput.

All our products are designed and developed according to the "Green Means" concept, which means that they have the added benefit of being both efficient and environmentally friendly.



1

2

3

1 Combi Genius laser head
2 Stainless steel sink, steel hob, industrial refrigerator, industrial hood
3 Servo-electric BCe Smart
4 Prima Power Combi Genius
5 Pizza oven manufactured with Prima Power machines

4

5

SUBCONTRACTORS

Optimizing subcontracting solutions with cutting-edge technology

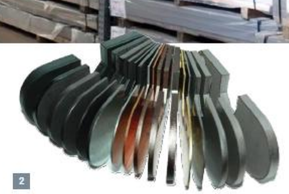
Subcontractors must quickly respond to customers and be flexible when adjusting the production to the job order. This means that the market is demanding shorter delivery times while expecting higher quality products, typically in terms of laser machine skills.

A great variety of sheet metal parts in this sector are manufactured with our products, ranging from simple flanges, to sub-assemblies or finished parts.

All our products are employed by job shops, particularly 2D high power laser cutting machines, servo-electric and hydraulic press brakes, punching machines, combination machines (punching and shearing/laser), and panel benders to prepare the kits for the welding shops. Additive Manufacturing is also gaining ground amongst subcontractors thanks to better functionality of parts and reduced stock and delivery times.

Among the benefits of our solutions are great process versatility, increased productivity and precision, as well as greater process reliability.

1



2

3

4

5

1 Servo-electric punching
2 Wide range of laser cut materials
3 Press brake eP 2040
4 Prima Power Platino Fiber
5 Punch Genius 1225
6 Large system installed at a job shop

6

A SELECTION FROM OUR MAIN CUSTOMERS

AUTOMOTIVE

FCA FIAT CHRYSLER AUTOMOBILES
BMW
TATA
GEELY
Ford Go Further
OPEL
RENAULT
GESTAMP AUTOMOCIÓN
MAGNA
KYMCO
TESLA

AEROSPACE

AIRBUS
GE Aviation
Avio Aero A GE Aviation Business
AVIC
SAFRAN Snecma
Pratt & Whitney A United Technologies Company
Lufthansa Technik
BLUE ORIGIN
SPACEX
Honeywell
SATURN United engine corporation

ENERGY

SIEMENS
AREVA
ABB
Kawasaki
SAIPEM
HYUNDAI
enel
MITSUBISHI HITACHI POWER SYSTEMS
GE Oil & Gas
Joint Stock Company "KALUGATURBINE WORKS"

CONSTRUCTION & BUILDING

OTIS
ThyssenKrupp
KONE
Schindler
Vaillant
VIESMANN
DAIKIN
systemair
Carrier
ARISTON THERMO GROUP
Atlas Copco

MECHANICS & MACHINERY

SCANIA
CNH
CAT
STILL
VOLVO
BRINK
VOLVO TRUCKS
NISSAN FORKLIFT
YANMAR
MARINI FAYAT GROUP
AVANT AVANT TECNO OY

WHITE GOODS & COMMERCIAL EQUIP.

Electrolux
KESSEBÖHMER
Epta
WOLF
Miele
Whirlpool HOME APPLIANCES
FRANKE
INDESIT company
imperial
HAAKON INDUSTRIES

ELECTRONICS, MEDICAL & OTHERS

FOXCONN
AYSAM ORTHOPAEDICS & MEDICAL DEVICES
ALSTOM
EATON
kaizen signs
PILAWA
GMC GULF METAL CRAFT
BOMBARDIER
BOMBARDIER

SALES BY GEOGRAPHY

30/06/2020

EMEA

57%

14.6% ITALY
9.7% EASTERN EU
9.2% NORTH & BALTIC
6.3% D-A-CH
2.9% SPAIN & PORTUGAL
13.2% OTHER EMEA
1.1% OTHER M.E.& AFRICA

AMER

31%

27.3% USA
3.7% OTHER AMER

APAC

12%

6.5% CHINA
5.5% OTHER APAC

30/06/2020

TOTAL: 1766 EMPLOYEES

EMEA

1420

785	ITALY
404	FINLAND
47	D-A-CH
47	SPAIN
38	RUSSIA
39	EASTERN EU
26	FRANCE
18	UK
16	TURKEY

AMER

248

214	USA
34	OTHER AMER

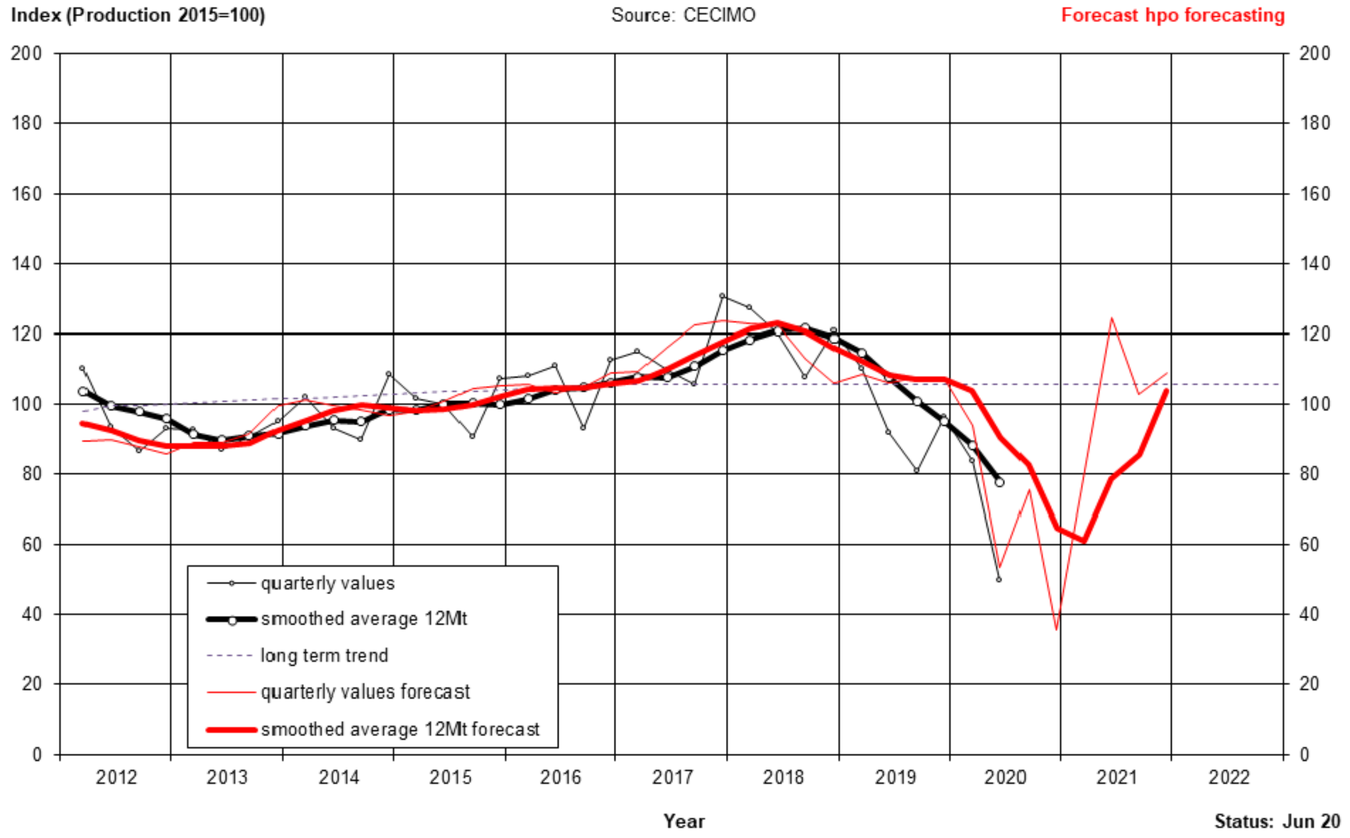
APAC

98

84	CHINA
14	OTHER APAC

Forecast Order Intake (18 months)

New Orders CECIMO 8 (Total)



The outlook for 2021 has improved slightly. The 3mt average is expected to rise sharply in the first half and to stabilize in the second half.

ANALYSTS' CONSENSUS

	2020				2021				2022
	B. IMI	Mediobanca	B. Akros (*)	Consensus	B. IMI	Mediobanca	B. Akros (*)	Consensus	Mediobanca
	16,0	16,0	13,0		16,0	16,0	13,0		16,0
	BUY	NEUTRAL	NEUTRAL		BUY	NEUTRAL	NEUTRAL		NEUTRAL
REVENUES	320	340	376	**345,3**	427,6	412	396	**411,9**	432
EBITDA	22,2	24	32	**26,1**	41,0	38	41	**40,0**	43
EBITDA %	*6,94%*	*7,06%*	*8,51%*	*7,55%*	*9,59%*	*9,22%*	*10,35%*	*9,71%*	*9,95%*
EBIT	0	2	9	**3,7**	18,8	16	18	**17,6**	20
EBIT %	*0,00%*	*0,59%*	*2,39%*	*1,06%*	*4,40%*	*3,88%*	*4,55%*	*4,27%*	*4,63%*
NET RESULT	-3,47	-3	3	**-1,2**	11,19	8	9	**9,4**	12
NFP	-121,6	-115	-102	**-112,9**	-116,2	-109	-91	**-105,4**	-96

(*) = B. Akros research has not been updated after 1H20 results

AUTOMOTIVE SECTOR TRENDS

- The automotive industry was facing major challenges around the world: electrification, autonomous drive and new ownership business models.

- The impact of Covid-19 struck very hard, with sales in Europe down 70-80 % in March/April 2020.

- January to July 2020: new passenger vehicle registrations were **down around a fifth in China, Japan, and the USA, and weaker by more than a third in Europe, India, and Brazil**. However, in July 2020, there were clear signs of some recovery in the major car markets in the world. In China, new car sales increased for the third consecutive month. In Europe, the USA, Japan, and India, new car sales were still weaker but the markets were noticeably stronger than during previous months.

GEELY

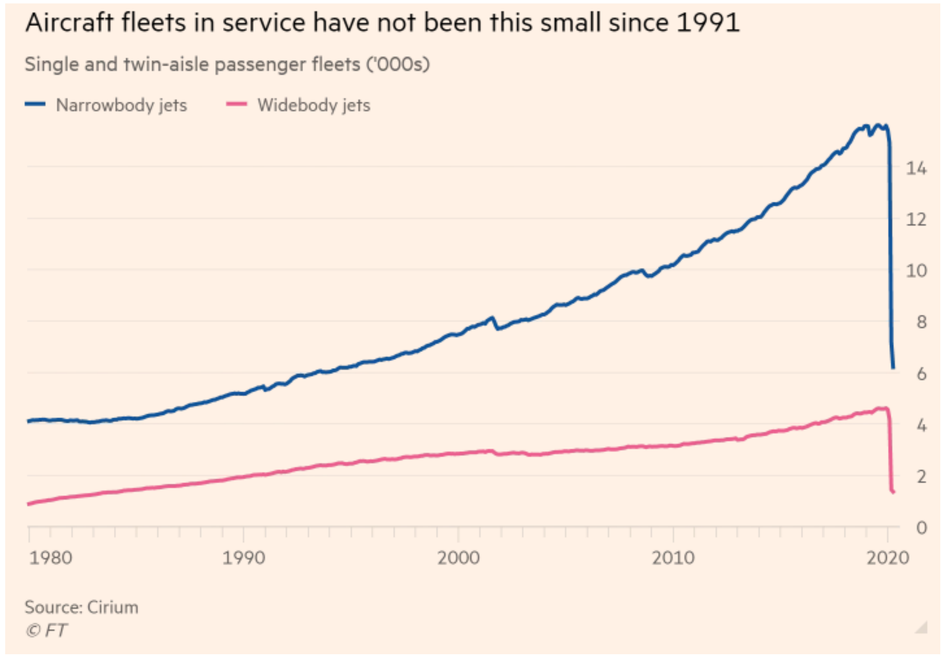
MAGNA

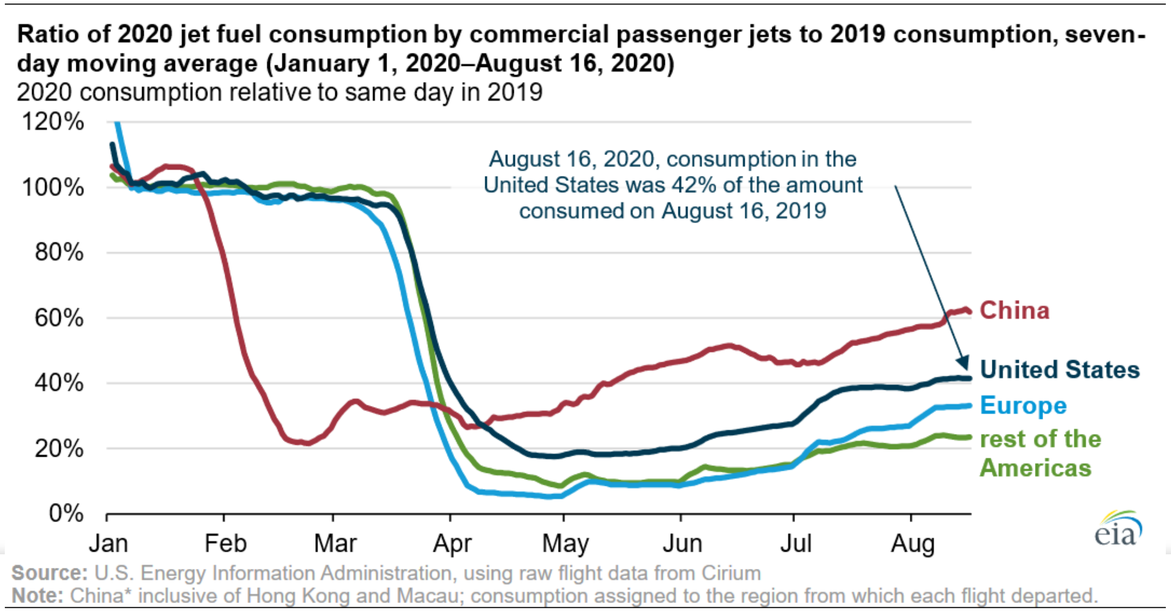
AUTOMOTIVE SECTOR OUTLOOK

- The car industry is expected to recover in the medium term.
- The pandemic could have eventually a positive impact towards a shift from public transportation to private vehicles.
- Hot stamping market: increasing use of hot-stamped components to achieve light weighting while also strengthening them (door rings, bumpers, roof rails, and chassis). **Hot stamped parts can only be refined with laser technology** (no mechanical tools)
- 3D laser cutting of hot stamped parts is the main application of Prima 3D laser machines and can apply to both fuel and electric vehicles
- Forecast growth of the hot stamping market was 11% (source: Roland Berger).

AERO & SPACE MARKET TRENDS

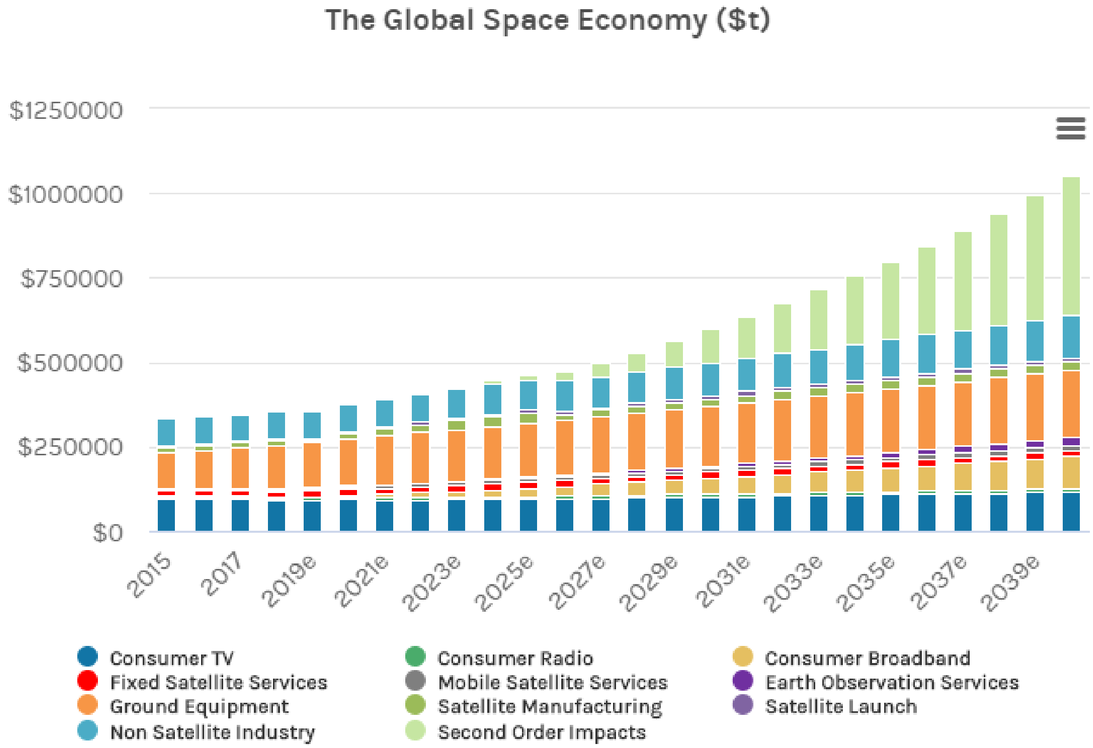
- Before the Covid-19 pandemic, the aerospace industry was expected to continue **its growth trajectory** with commercial aircraft production and strong defense spending.
- The pandemic hit hard on the civil aerospace: global air traffic has been brought to an **almost complete standstill by the COVID-19 outbreak.**
- While there have been other instances of significant drops in air traffic **in the past**, they have generally been **regional**. Never have we seen a sustained global collapse of air traffic as we're seeing now because of the travel restrictions necessitated by COVID-19. International passenger demand in April fell 80% year-over-year, according to the International Air Transport Association. **Every region across the world has seen double-digit percentage declines in traffic, with most airlines experiencing capacity reductions up to 95%.**





AERO & SPACE MARKET TRENDS

- Defense aerospace and space economy instead appear to be resilient to the crisis.
- Satellite broadband will represent 50% of the projected growth of the global space economy by 2040,
- Launching satellites that offer broadband Internet service will help to drive down the cost of data, just as demand for that data explodes (driven by autonomous cars, IoT, A.I., VR, video,..)

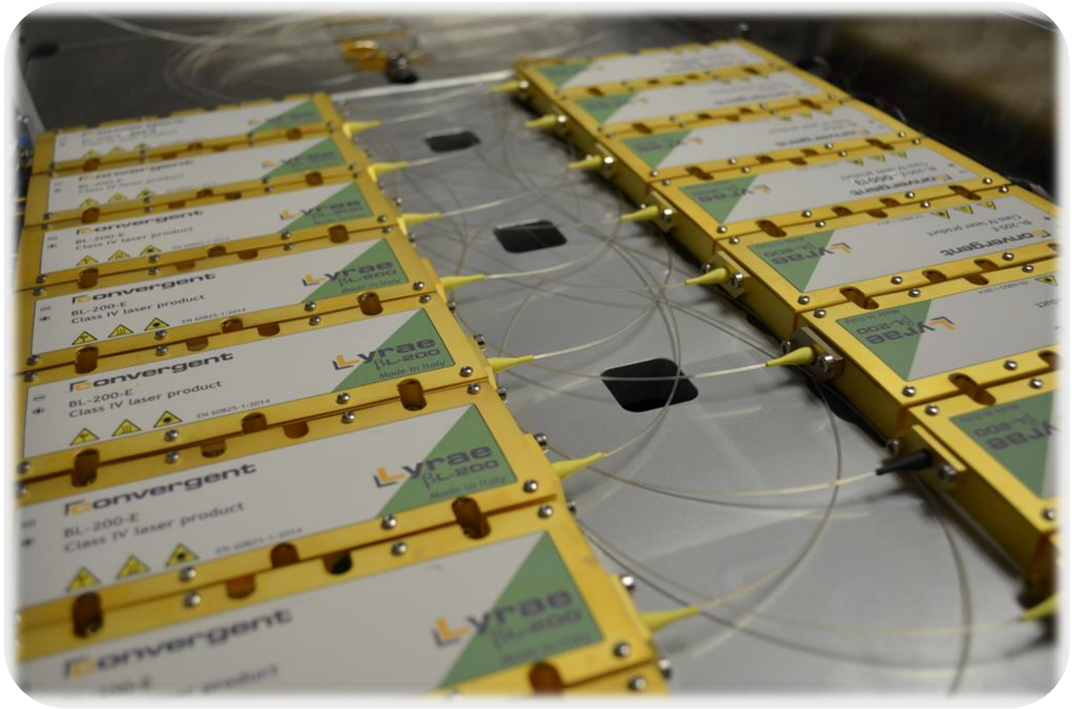


Source: Haver Analytics, Morgan Stanley Research forecasts

PROPRIETARY FIBER LASER TECHNOLOGY

- ✓ According to external research (Strategies Unlimited) this sector is expected to **grow with an overall CAGR of 5.3%** and this includes not only industrial applications but also many other markets that represent an opportunity for Prima (e.g: medical applications).
- ✓ Convergent product aligned to the performances of **market leader product**.
- ✓ **Vertical company**: all the laser components are produced in home with very few elements purchased externally (active fiber and low-tech components), with a strong control of the technologies used. This also made it possible to obtain competitive costs even with volumes significantly lower than competitors, allowing us to look optimistically at the **competitiveness that is expected to improve in the future thanks to the growth in production volumes**.
- ✓ **High efficiency diodes** state of the art: this sector could represent an additional stand alone market (expected growth rate: doubling volumes between 2017 and 2023).

We are 1 of the 10 companies only controlling this technology worldwide



PRODUCT RANGE

Our Lasers and power sizes

ADDITIVE MANUFACTURING

- Since several years Prima Industrie is investing in Additive Manufacturing (AM) technologies**, leveraging on internal know-how on fiber laser.**
- Prima Industrie is one of the few competitors investing in this technology which is expected **to further boom in the next years** (see next slide).
- PA is active on both main AM technologies:
  - ✓ **Powder Bed Fusion**
  - ✓ **Direct Energy Deposition**
- In 2019 AM contribution to Prima Group revenues was still marginal (approx. 2%) but expected to **substantially grow** in the next years.
- PA exhibited for the first time at **Formnext 2019** in November in Frankfurt (main AM world exhibition).
- A **set of new products** is currently being introduced to the market.

AM Metal Systems sales Revenue Overview

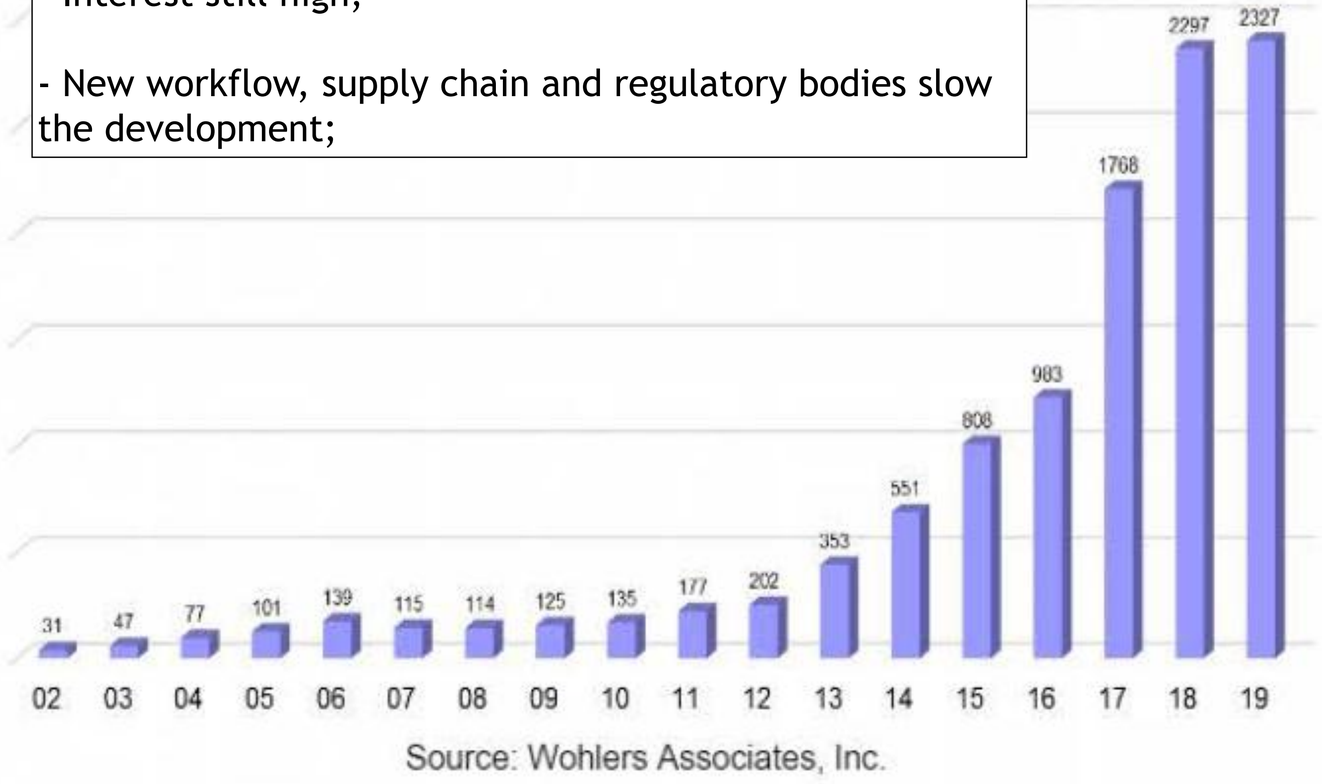
In **2019** the units of metal AM systems sold grew by **1,3%** to **2,327.**

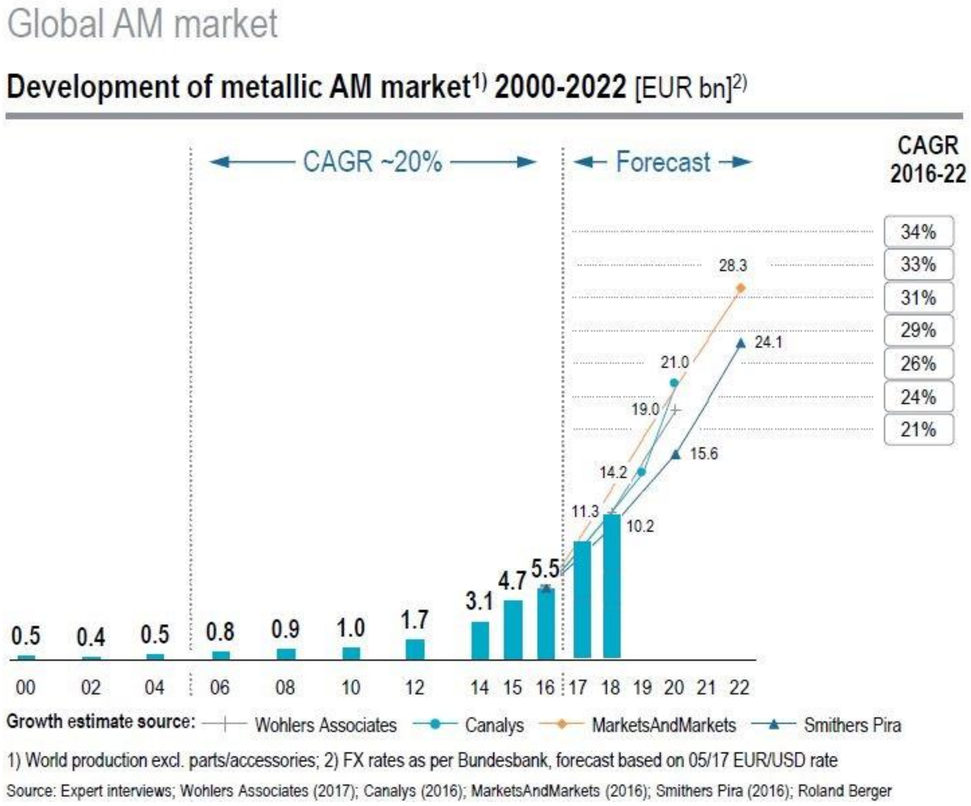
- Slowdown of the market trend;

- 2019 the crisis started on metal manufacturing sector (particular automotive);

- Interest still high;

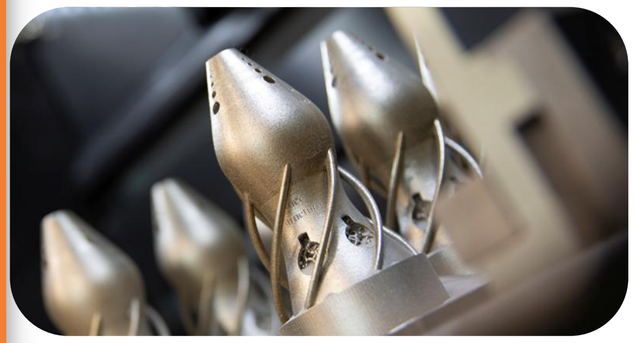
- New workflow, supply chain and regulatory bodies slow the development;

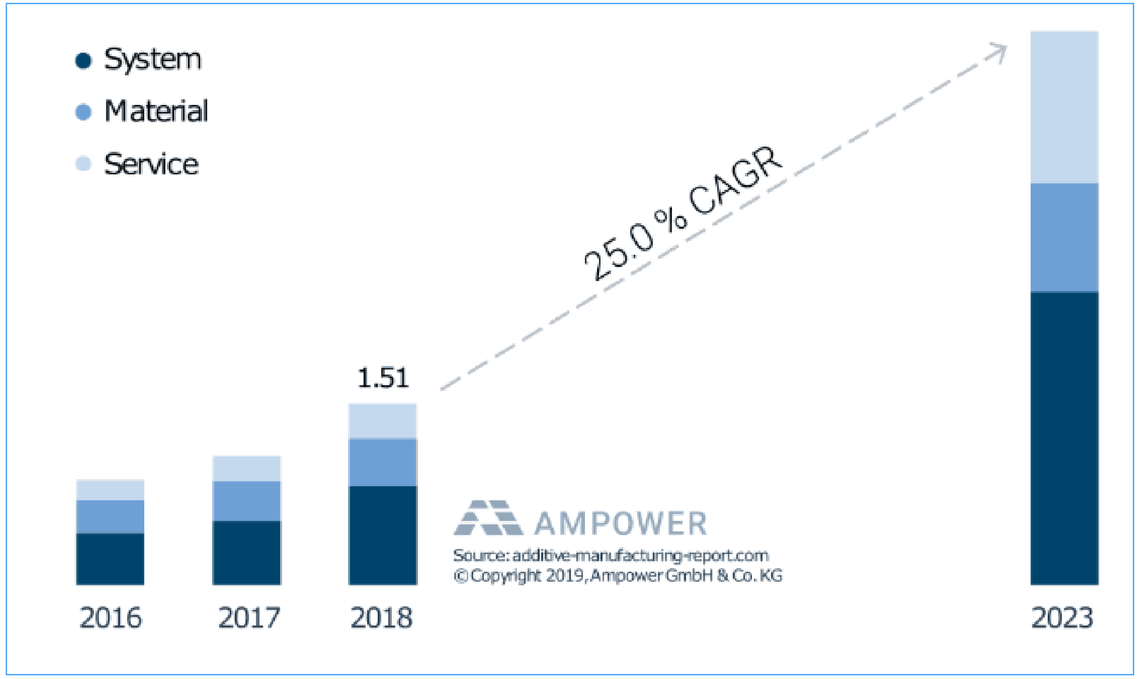


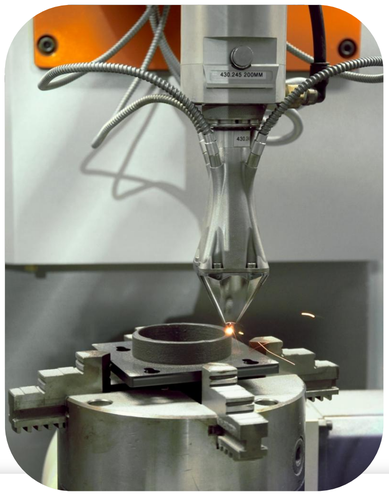


Revenue Potential Growth

The metal AM market is expected to have a 25% CAGR up to **$4,6 billion**. The revenue related to the sale of systems will cover about 53% of the total revenue and will growth up to **$ 2,44 billion**.







CIRCULAR ECONOMY INSPIRED

Circular Economy

ConsumerLab.it
FUTURE RESPECT index 2019

The Prima Additive approach is inspired by the Circular Economy vision as the strategic mean to fully exploit the value of Additive.

Less material used
compared to traditional manufacturing methods

Design strategies
for extending product lifecycle

Possibility to repair parts
to return a used product to its original performance

Possibility to add custom parts to existing pieces
to add further value without producing new parts

Recycling
of powders to close the material loop

In a circular economy, the value of products and materials is maintained for as long as possible. Waste and resource use are minimized, and when a product reaches the end of its life, it is used again to create further value. This can bring major economic benefits.

Financials & Back-up information

Highlights - FY 2019

Values in €/thousand	ACT 31.12.19	ACT 31.12.18	D '19 vs '18	D '19 vs '18 %
Order Intake	410.417	471.245	(60.828)	-12,9%
Backlog	142.332	169.367	(27.035)	-16,0%
Revenues	427.582	466.932	(39.350)	-8,4%
EBITDA	38.432	45.059	(6.627)	-14,7%
EBITDA%	9,0%	9,7%	-0,7%	N/A
EBIT	14.391	28.041	(13.650)	-48,7%
EBIT%	3,4%	6,0%	-2,6%	N/A
Net Result	8.818	24.058	(15.240)	-63,3%
FCF	(4.197)	(8.802)	4.605	52,3%
Net Financial Position	(107.343)	(74.639)	(32.704)	-43,8%
Headcount	1.781	1.871	(90)	-4,8%

(% calculated over the revenues)

(headcount in units)

P&L adjusted with non recurring items and IFRS 16

Values in €/thousand	ACT 31.12.19	ACT 31.12.18	D '19 vs '18	D '19 vs '18 %
Revenues	427.582	466.932	(39.350)	-8,4%
EBITDA	38.432	45.059	(6.627)	-14,7%
Non-Recurring Items	(2.582)	(2.845)		
IFRS 16	5.631	-		
EBITDA Adj	35.383	47.904	(12.521)	-26,1%
EBITDA Adj%	8,3%	10,3%	-2,0%	N/A
EBIT	14.391	28.041	(13.650)	-48,7%
Non-Recurring Items	(4.219)	(4.171)		
IFRS 16	250	-		
EBIT Adj	18.360	32.212	(13.852)	-43,0%
EBIT Adj%	4,3%	6,9%	-2,6%	N/A
Net Result	8.818	24.058	(15.240)	-63,3%
Non-Recurring Items	(1.732)	1.059		
IFRS 16	(498)	-		
Net Result Adj	11.048	22.999	(11.951)	-52,0%
NFP	(107.343)	(74.639)	(32.704)	-43,8%
Leasing Liabilities (IFRS16)	(31.235)	-		
Leasing Liabilities (IAS17)	(7.637)	(8.709)		
NFP Adj	(68.471)	(65.930)	(2.541)	3,9%

(% calculated over the revenues)

Highlights - 1H2020

Values in €/thousand	ACT Q1 2020	ACT Q2 2020	ACT H1 2020	ACT H1 2019	Change H1'20 vs H1'19	Change % H1'20 vs H1'19
Order Intake	72.437	68.350	140.787	189.904	*(49.117)*	*-25,9%*
Backlog	141.289	125.978	125.978	136.055	*(10.077)*	*-7,4%*
Revenues	75.051	82.523	157.574	214.757	*(57.183)*	*-26,6%*
EBITDA	3.100	6.963	10.063	18.585	*(8.522)*	*-45,9%*
EBITDA%	4,1%	8,4%	6,4%	8,7%	*-2,3%*	*N/A*
EBIT	(2.544)	1.631	(913)	6.480	*(7.393)*	*-114,1%*
EBIT%	-3,4%	2,0%	-0,6%	3,0%	*-3,6%*	*N/A*
Net Result	(3.524)	376	(3.148)	1.815	*(4.963)*	*-273,4%*
FCF	(26.491)	11.014	(15.477)	(26.628)	*11.151*	*41,9%*
NFP before leasing	(91.986)	(83.045)	(83.045)	(98.518)	*15.473*	*15,7%*
NFP	(133.452)	(123.246)	(123.246)	(132.824)	9.578	*7,2%*
Headcount	1.770	1.766	1.766	1.856	*(90)*	*-4,8%*

(% calculated over the revenues)

(headcount in units)

P&L adjusted with non recurring items and IFRS 16

Values in €/thousand	ACT Q1 2020	ACT Q2 2020	ACT H1 2020	ACT H1 2019	Change	Change %
Revenues	75.051	82.523	157.574	214.757	*(57.183)*	*-26,6%*
EBITDA	3.100	6.963	10.063	18.585	*(8.522)*	*-45,9%*
Non-Recurring Items	*(683)*	*(1.448)*	*(2.131)*	*(1.150)*		
EBITDA Adj	*3.783*	*8.411*	*12.194*	*19.735*	*(7.541)*	*-38,2%*
EBITDA Adj%	5,0%	10,2%	7,7%	9,2%	-1,5%	N/A
EBIT	(2.544)	1.631	(913)	6.480	*(7.393)*	*-114,1%*
Non-Recurring Items	*(683)*	*(1.448)*	*(2.131)*	*(2.299)*		
EBIT Adj	*(1.861)*	*3.079*	*1.218*	*8.779*	*(7.561)*	*-86,1%*
EBIT Adj%	-2,5%	3,7%	0,8%	4,1%	-3,3%	N/A
Net Result	(3.524)	376	(3.148)	1.815	*(4.963)*	*-273,4%*
Non-Recurring Items	*(683)*	*(1.443)*	*(2.126)*	*(2.440)*		
Net Result Adj	(2.841)	1.819	(1.022)	4.255	*(5.277)*	*-124,0%*
NFP	(133.452)	(123.246)	(123.246)	(132.824)	*9.578*	*7,2%*
Leasing Liabilities	*(41.466)*	*(40.201)*	*(40.201)*	*(34.306)*		
NFP Adj	(91.986)	(83.045)	(83.045)	(98.518)	*15.473*	*-15,7%*

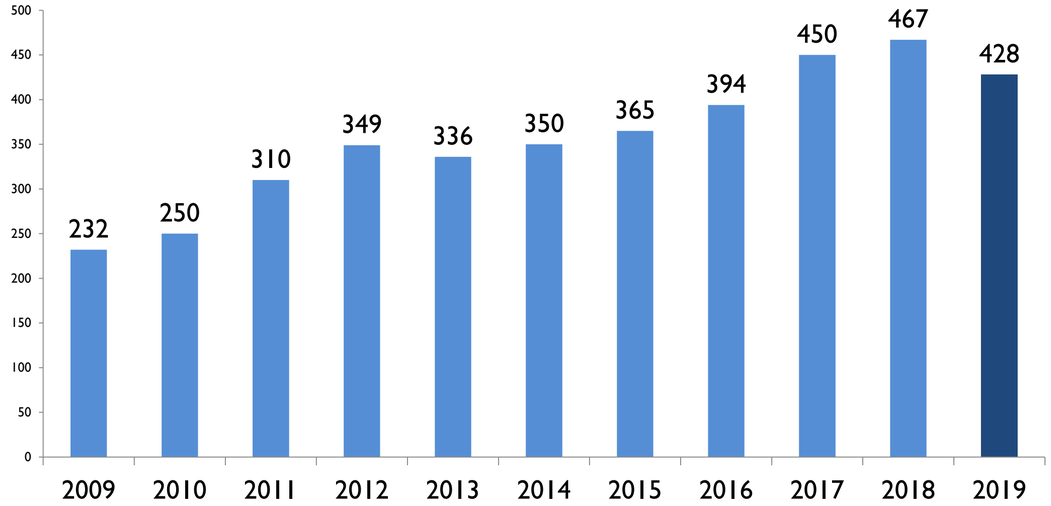
(% calculated over the revenues)

Being a complex organization
can be our strength and opportunity
in the times of the NEW NORMAL

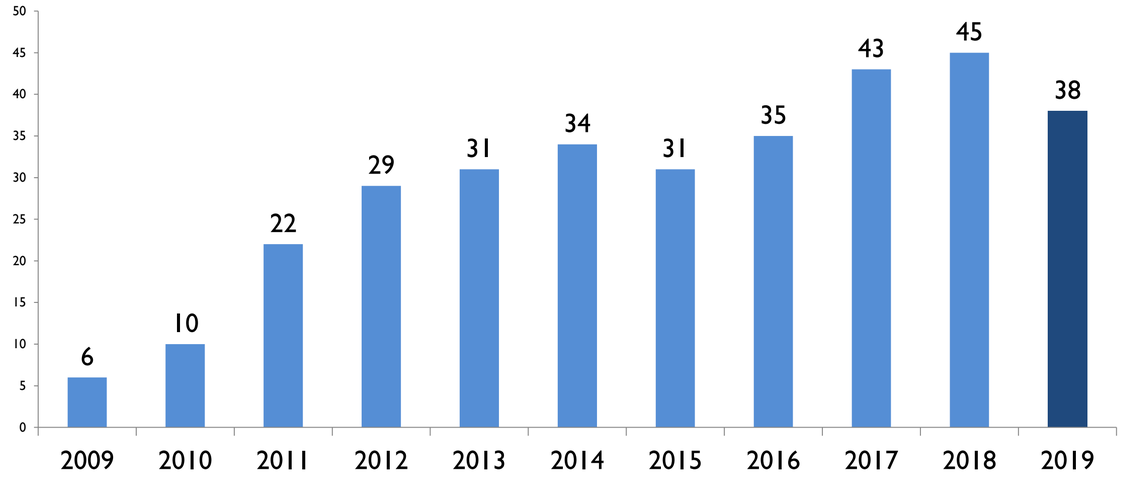
- More user-friendly products
- More remote maintenance
- Increase of Smart-working
- Less travels, Reduced number of expos
- More resources available in the periphery
- More Virtual reality and Augmented Reality

ECONOMIC TRENDS (M€)

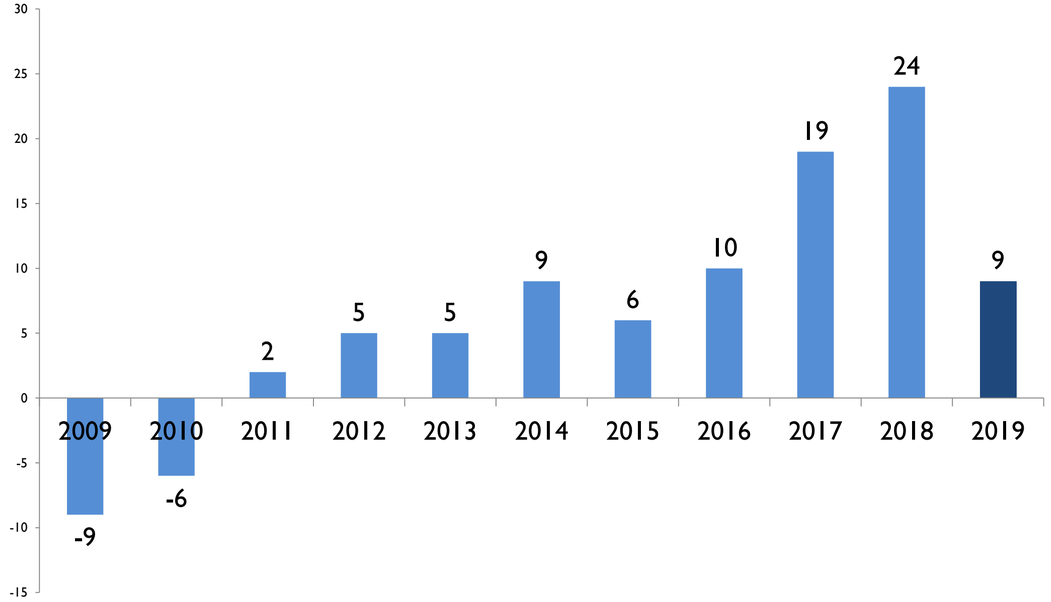
Revenues 2009-2019



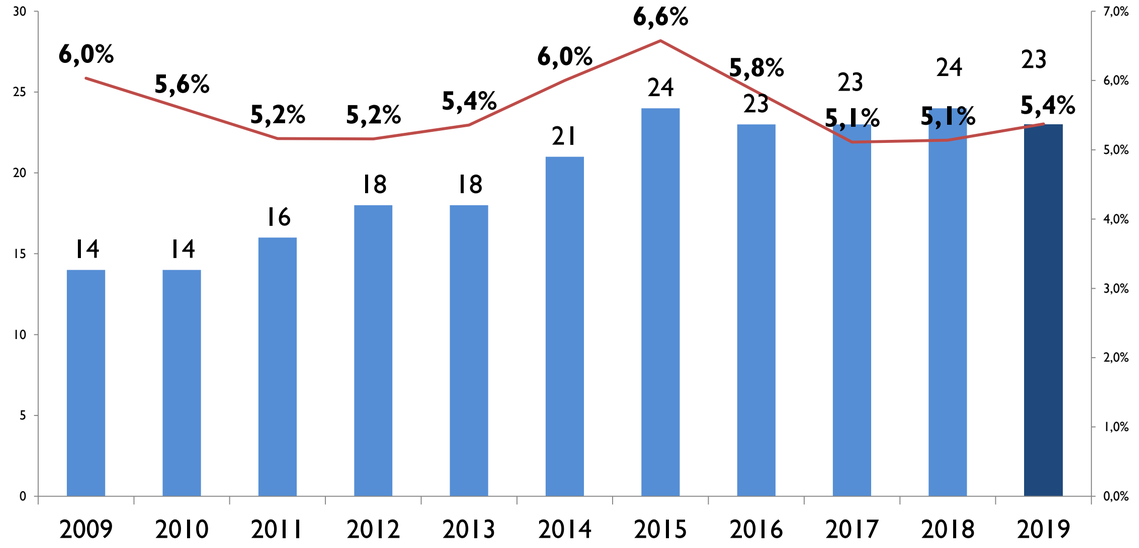
EBITDA 2009-2019



Net result 2009-2019

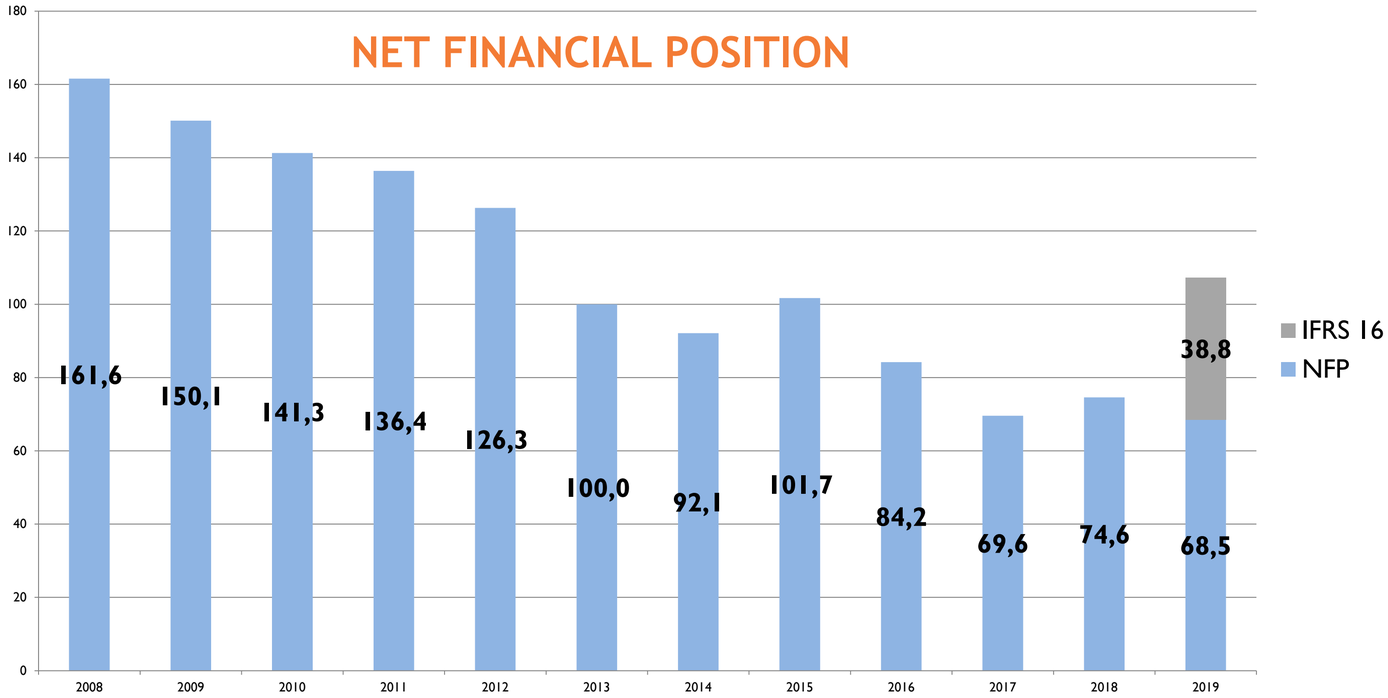


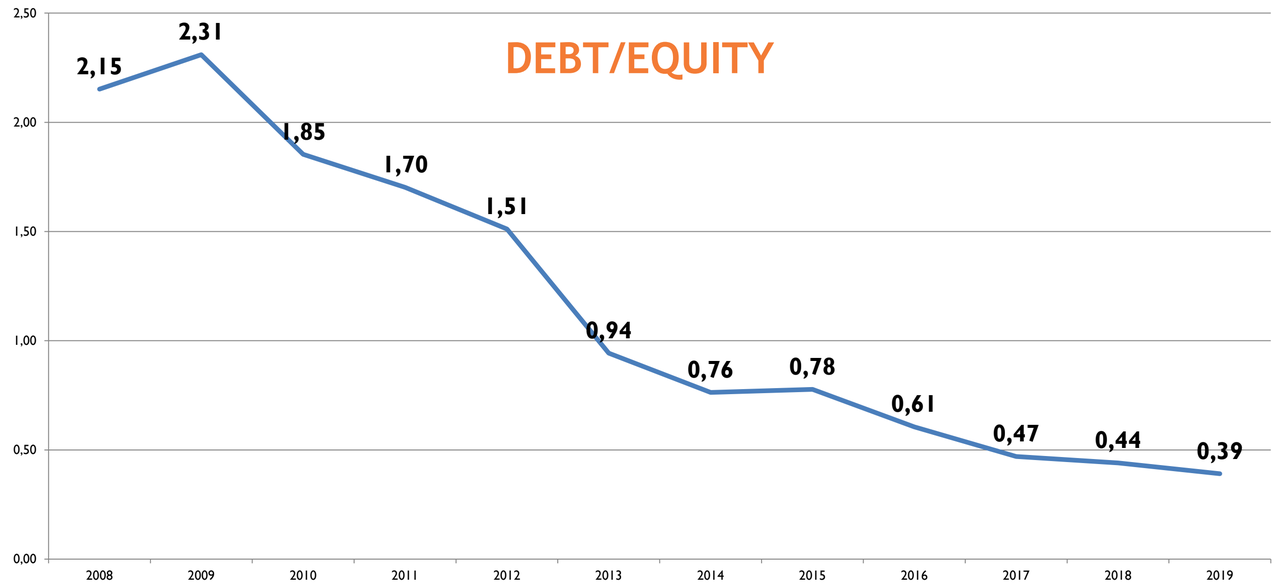
R & D 2009-2019



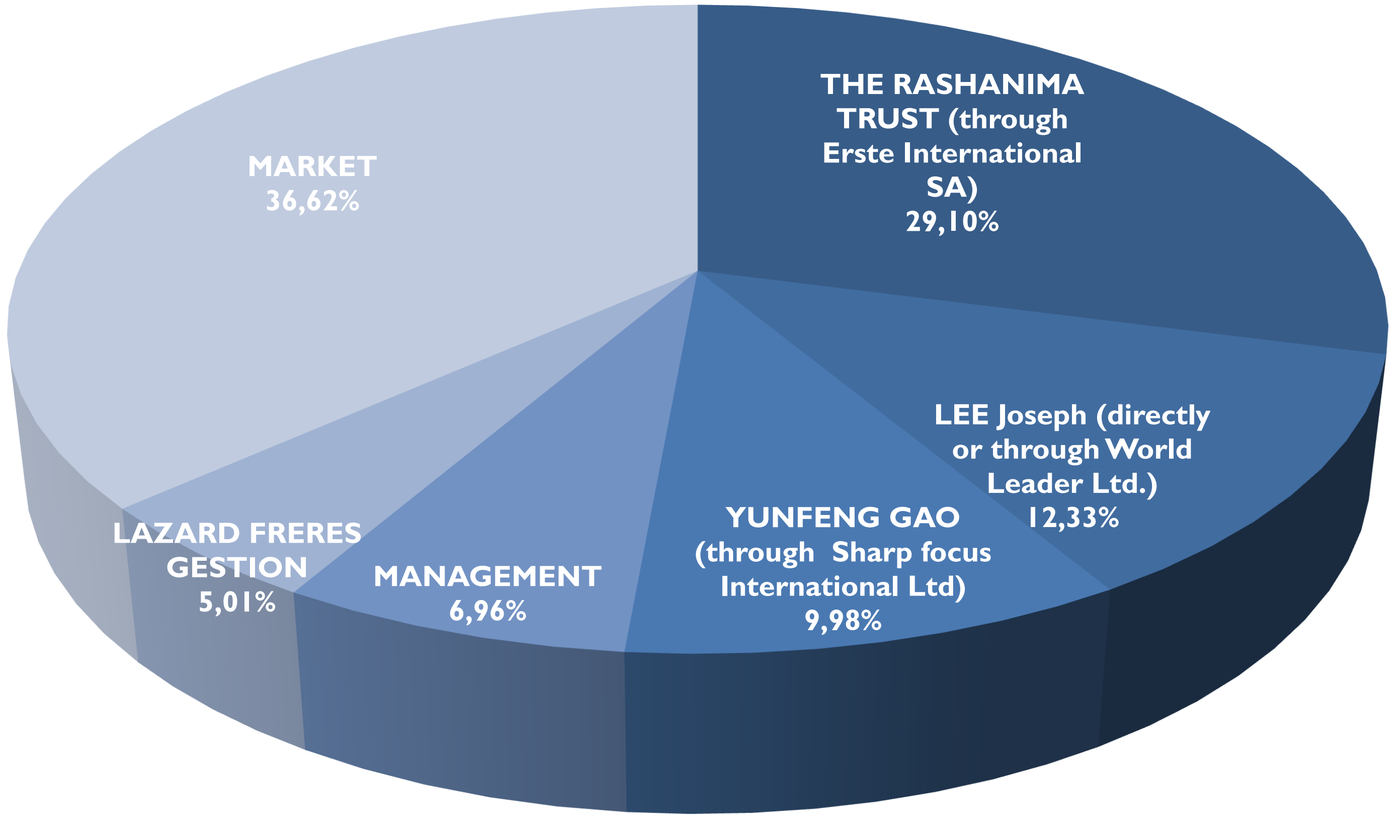
NET FINANCIAL POSITION TREND

€/mio





SHAREHOLDING STRUCTURE



Source: company info + official communications to Consob

ConsumerLab.it
FUTURE RESPECT index 2019

PRIMA INDUSTRIE

Please visit:

www.primaathome.com