



PRIMA
INDUSTRIE

 **BANCA IMI**

2017 ITALIAN STOCK MARKET OPPORTUNITIES

PARIS, MAY 17TH, 2017

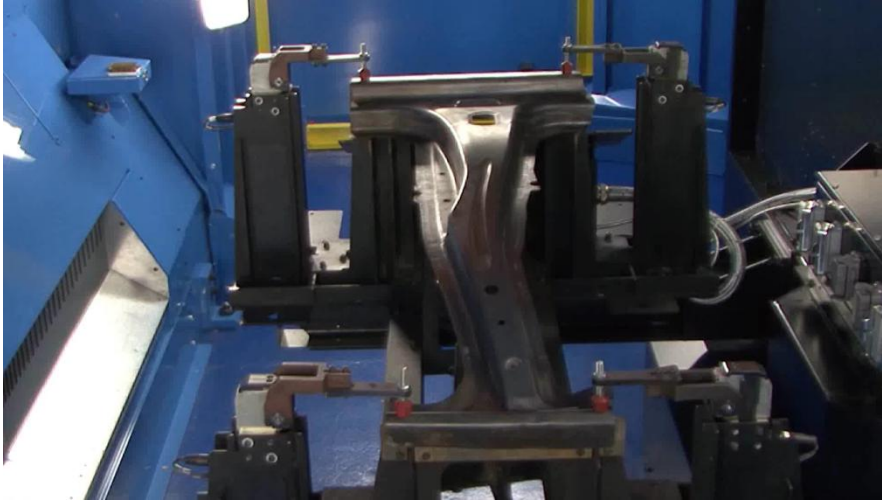


Prima Group at a glance

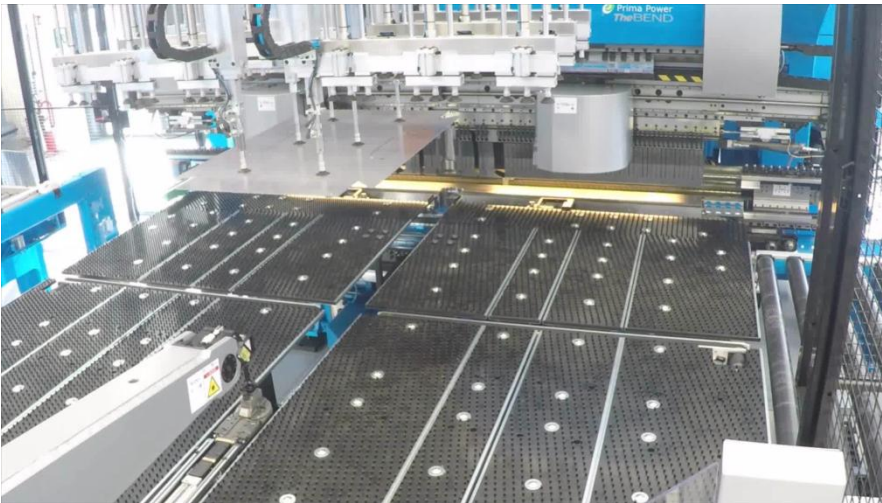
- Founded in 1977, Prima Industrie is a global leader in **high technology** laser and sheet metal processing systems and electronic components for industrial applications
- Over 12,000 machines installed in more than **80 countries**
- **1,664 employees** worldwide
- Manufacturing sites in Italy, Finland, USA and China
- Broad direct commercial and after-sales presence in **EU, NAFTA, BRIC** and other **emerging markets**.
- 2016 sales were **€394 millions**, of which 84% outside Italy
- Strong commitment to **innovation** (R&D is ~6% of turnover)
- **Listed** on Italian Stock Exchange (STAR segment) since 1999



Prima Group business sectors: Prima Power



LASER MACHINES



SHEET METAL
MACHINERY

Prima
Power



Prima Group business sectors: Prima Electro



ELECTRONICS



LASER SOURCES

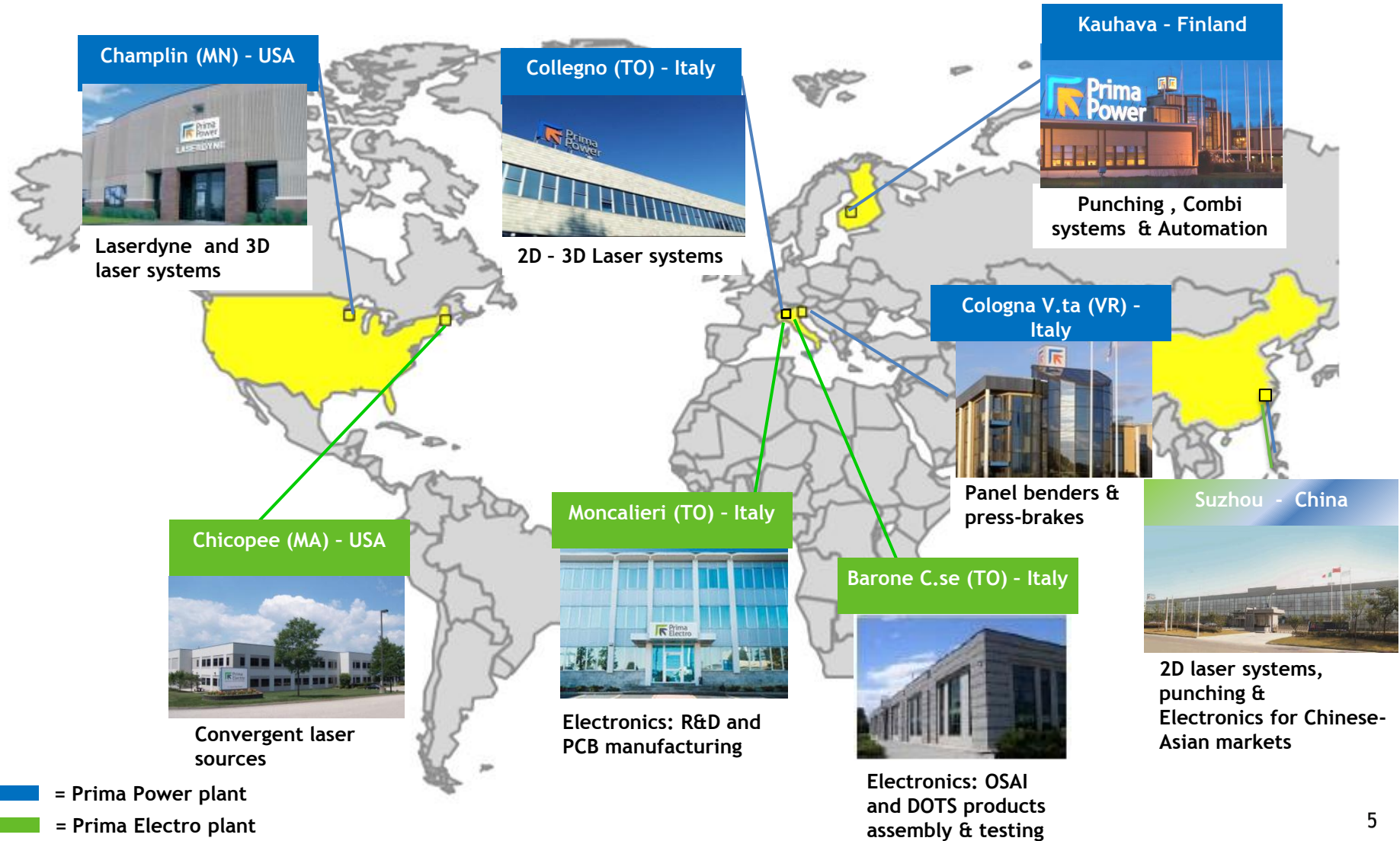
Prima
Electro

convergent



Industrial footprint: 1 plant=1 mission

MANUFACTURING PLANTS IN 4 COUNTRIES





Sales & service footprint

Direct presence in 25+ countries

- CANADA
- U.S.A.
- MEXICO
- BRAZIL
- CHILE
- ARGENTINA
- COLUMBIA

- ITALY
- FRANCE
- GERMANY
- UK
- SPAIN
- PORTUGAL
- SWITZERLAND
- AUSTRIA
- BELGIUM/
HOLLAND
- POLAND
- CZECH REP.
- HUNGARY

- RUSSIA
- LITHUANIA
- TURKEY
- U.A.E.
- FINLAND
- SWEDEN
- NORWAY
- DENMARK
- ISRAEL
- EGYPT
- S. AFRICA

- INDIA
- CHINA
- S. KOREA
- MALAYSIA
- AUSTRALIA
- NEW ZEALAND
- IRAN
- THAILAND
- VIETNAM
- INDONESIA
- JAPAN

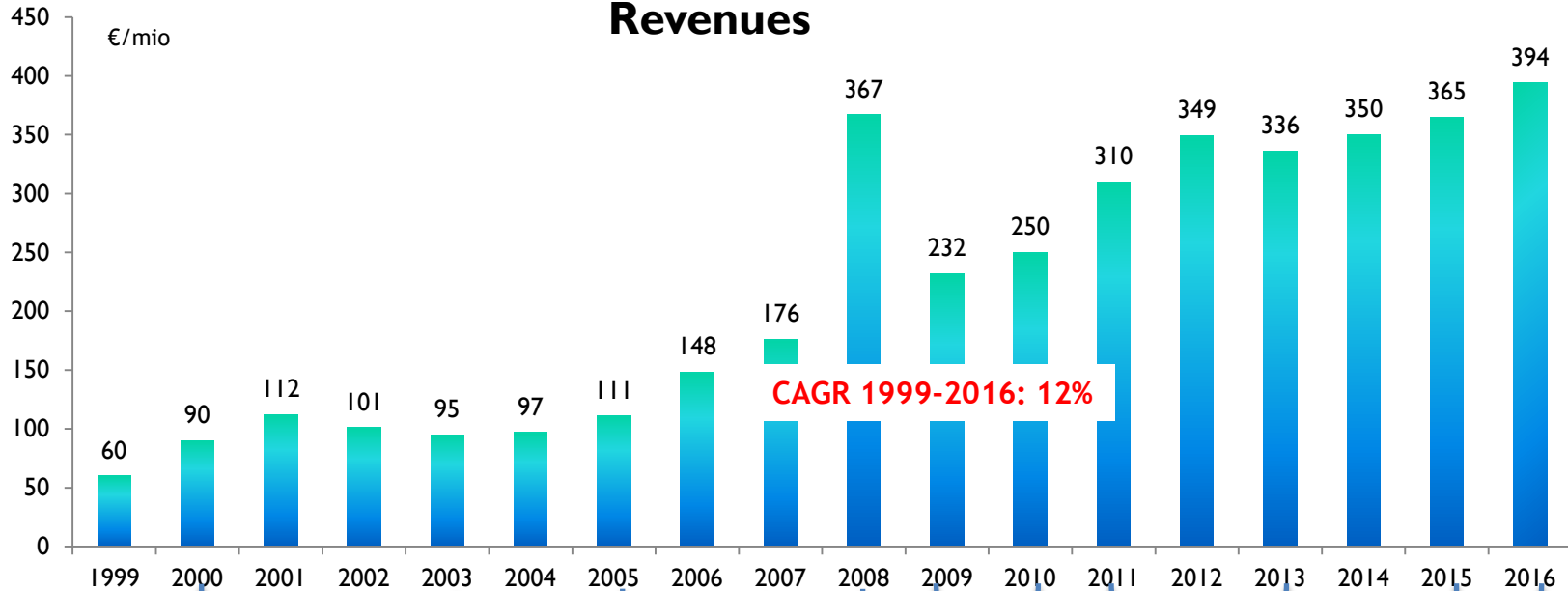
subsidaries or branch offices

Distributors/agents



A history of growth

Revenues



1999
• IPO on Italian Stock Market
• First JV in China

2000
• Acquisition of Convergent Energy in the US (internalization of laser source)

2001
• Acquisition of Laserdyne in the US (leadership in aerospace market)
• JV in Japan

2003
• Second JV in China

2005
• Acquisition of Matra distributor in Germany
• Third JV in China

2007
• Acquisition of OSAI (very well-known brand in the field of CNCs)

2008
• Acquisition of Finnish Group FINN-POWER (size doubled)

2009-2010
• Reorganiz. of the commercial network in European countries
• Factory rationalization

2011-2013
• New commercial subsidiaries in emerging markets (Brazil, India, Russia, Turkey, UAE, Australia, Mexico, Korea)
• Agreement for Panel Benders with Amada for Japan

2015
• New manufact. plant in China (Prima Power Suzhou)
• New sales & service organization in China

2016
• New HQTC (Turin)



Growth drivers

REVENUE DRIVERS



- Machine Tool market expected growth (*Oxford Economics*) - **cagr 2016-2020: 3%**
- Laser market expected growth (*Optech Consulting*) - **cagr 2016-2020: 7.6%**
- Success of newly released products
- Strengthening of market coverage in China
- New HQTC (Headquarters & Tech Center) boosting order intake

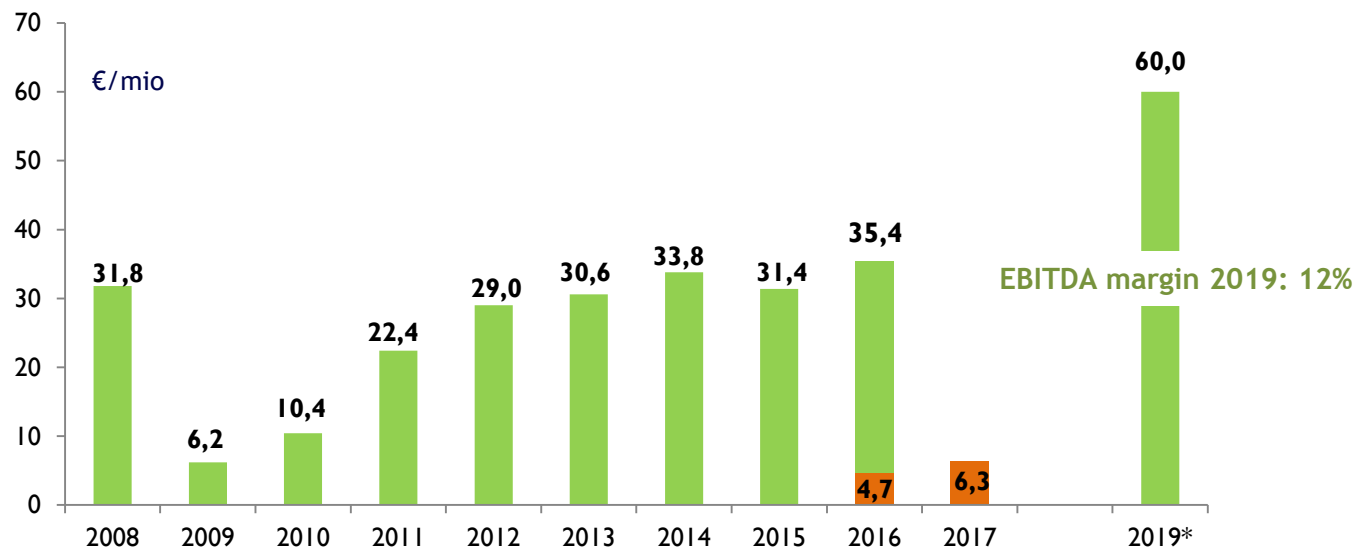
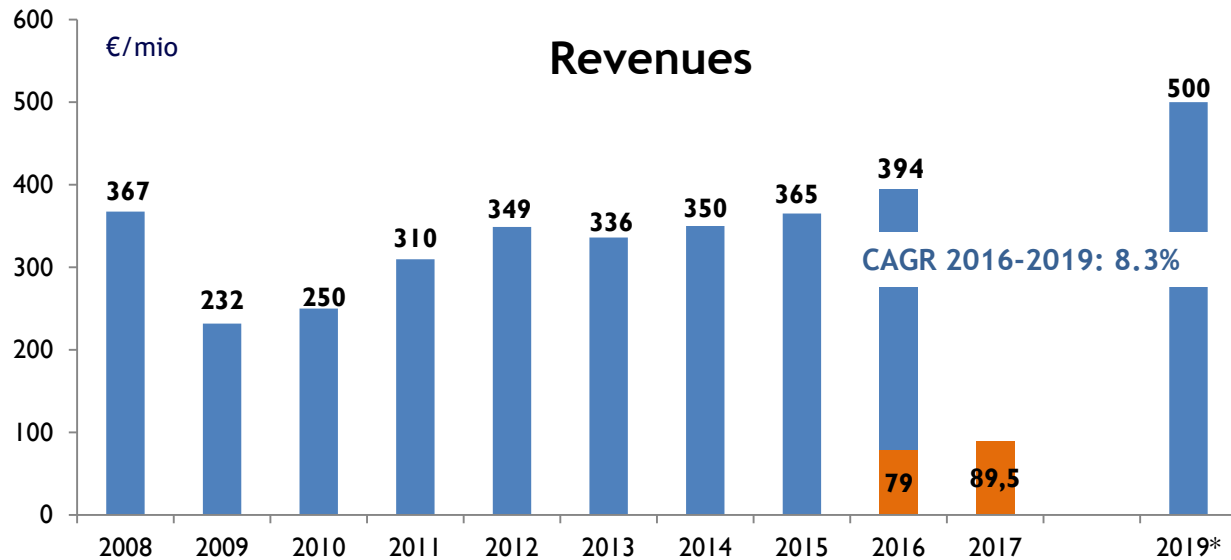
EBITDA DRIVERS



- Higher volumes = Operational leverage
- Progressive increase in fiber laser in sourcing
- Diode Fab success in diodes development



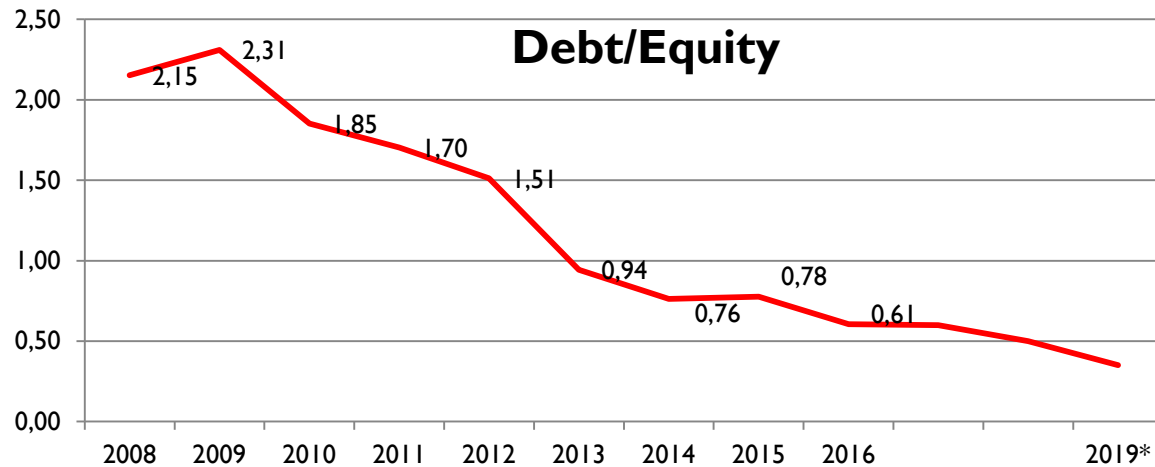
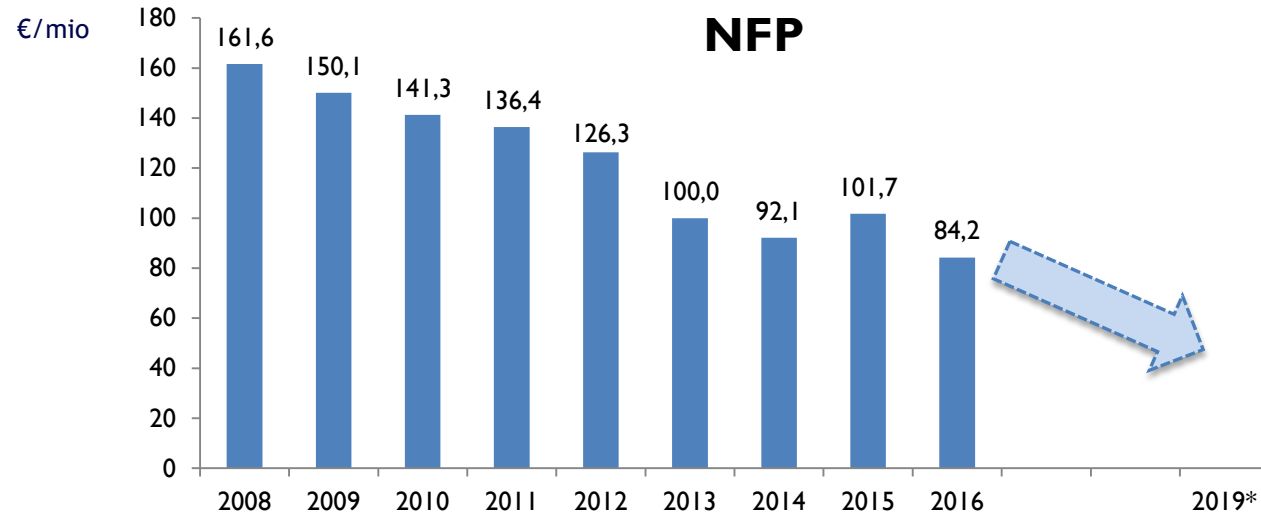
Economic trends



* = according to Company's business plan



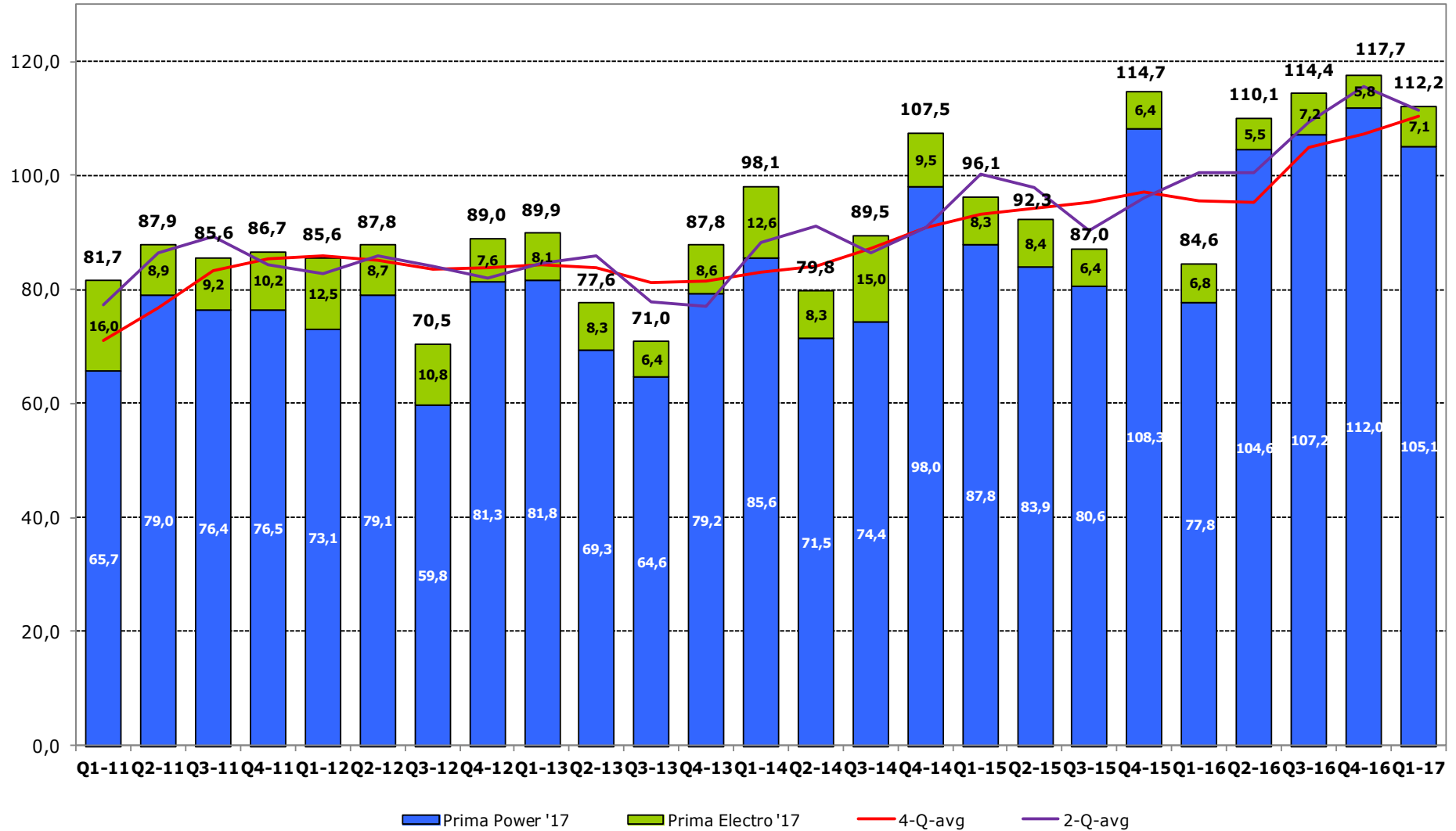
Net financial position trend



* = according to Company's business plan



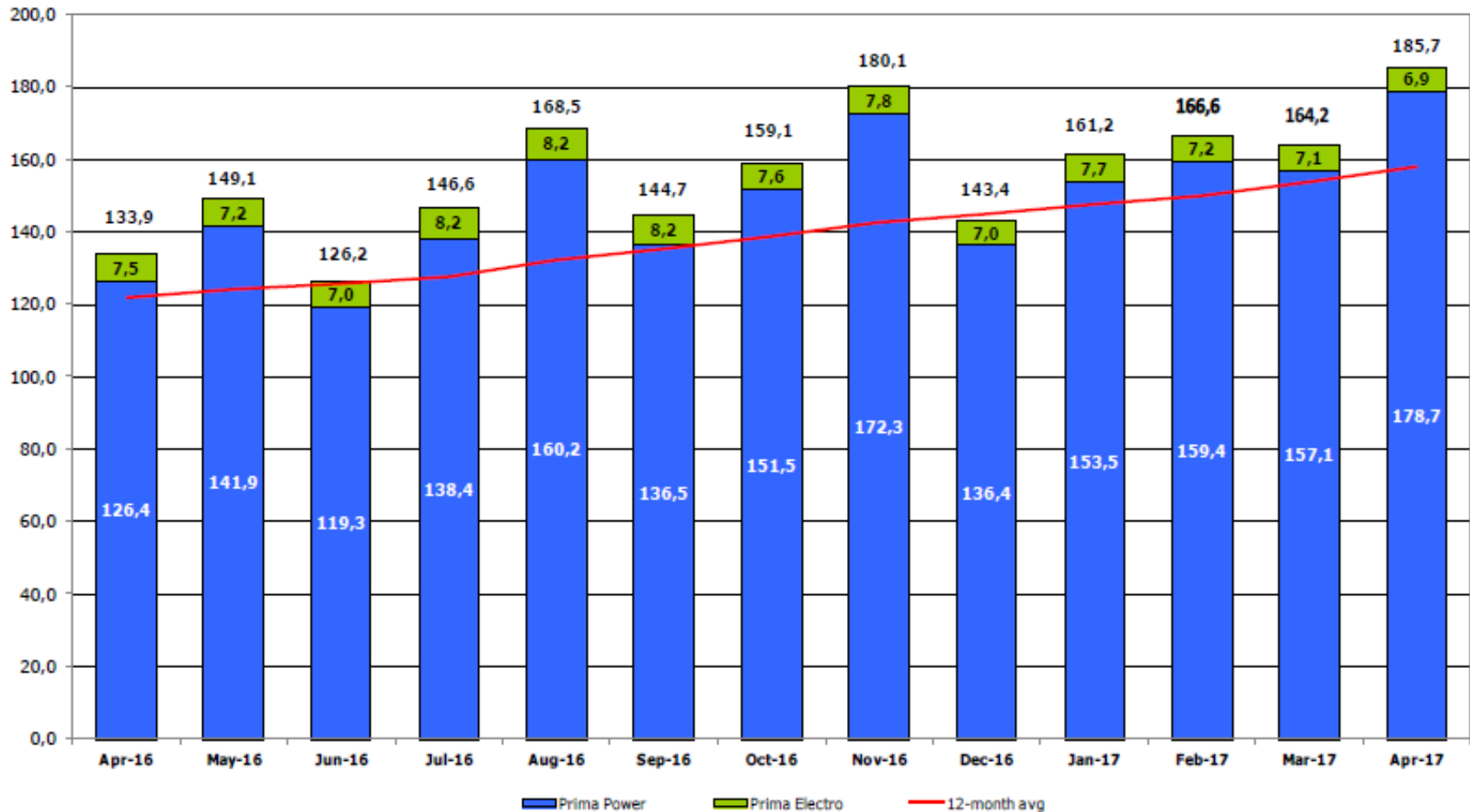
Quarterly order intake since 2011





Last 13 months backlog

Backlog





Analysts' consensus

tp	2017			2018			2019		
	B. IMI	B. Akros	Consensus	B. IMI	B. Akros	Consensus	B. IMI	B. Akros	Consensus
	33,1	26,7		33,1	26,7		33,1	26,7	
REVENUES	432,0	445	438,5	470	476,7	473,4	500	510,5	505,3
EBITDA	43,0	46,6	44,8	53,1	55,8	54,5	60	63,8	61,9
EBIT	27,5	30,6	29,1	37,1	40,1	38,6	44	48,3	46,2
NET RESULT	15,5	16,5	16,0	20,6	23,4	22,0	25,3	29,7	27,5
NFP	-79,8	-81,4	-80,6	-64,1	-70,3	-67,2	-44,9	-52,6	-48,8

CAGR 2016 (A) -2019 consensus: 9.6%

 **BANCA IMI** Released May 10, 2017

 **Banca Akros** Released May 9, 2017
Gruppo Bipiemme

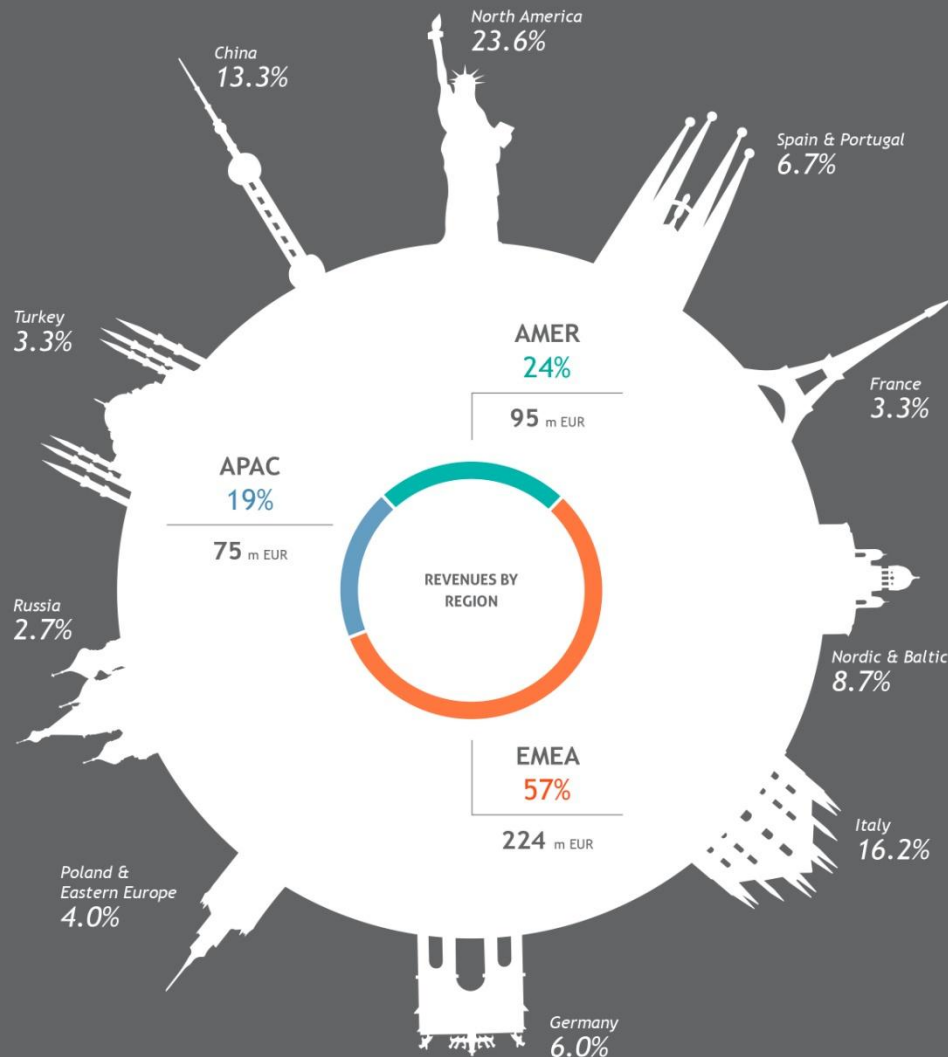


Machine revenues by application



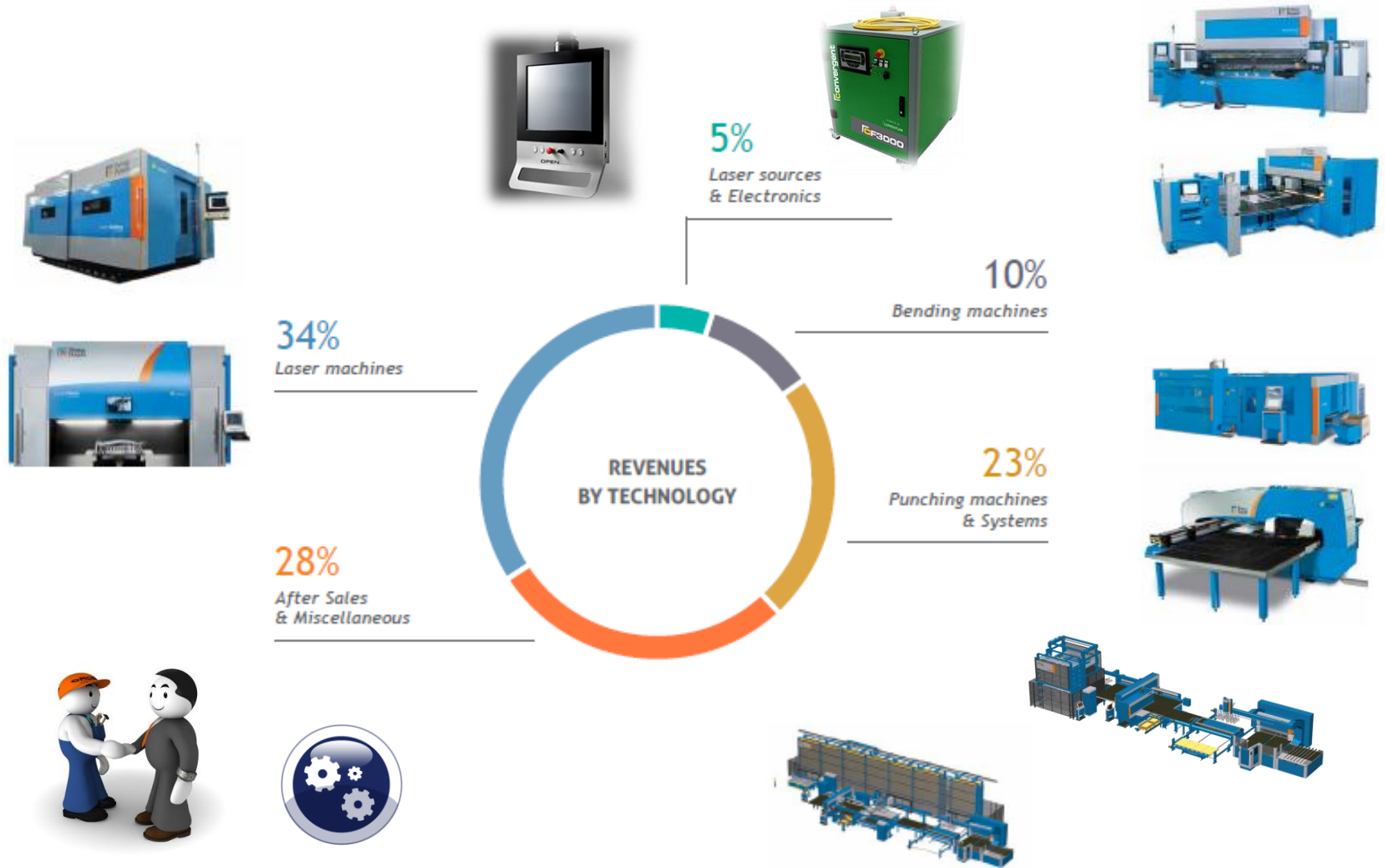


Revenues by geography





Revenues by technology



Figures FY 2016



Always at the cutting edge of technology

The Laser

3D



Laser Next

The System



PSBB

The Bend



Bce Smart

The Combi



Combi Genius

The Punch



Shear Punch

2D



Laser Genius



Always at the cutting edge of technology





A selection from our 2,000 customers ww



RENAULT VOLVO Audi BMW KARSAN PROTON Ford Go Further FCA DONGFENG MOTOR CORPORATION TATA ITALDESIGN MAGNA SUNGWOO HITECH tiberina EDAG CECOMP Metalsa GRUPO DOVER SISTEMA DE TROQUELES GESTAMP AUTOMOCION YI FENG GROUP SALZGITTERAG Stahl und Technologie THYSSENKRUPP ORAN



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. TurboCare Solar Turbines A Caterpillar Company mitsubishi DONCASTERS NORTHROP GRUMMAN ABB HITACHI Inspire the Next STEMAC GE Oil & Gas SIEMENS HIMOINSA HYUNDAI EMERSON Liebert. KAWASAKI "KALUGATURBINE WORKS" Joint Stock Company



A selection from our 2,000 customers ww



ELECTRICAL & VENDING EQUIP. - MISCELLANEA

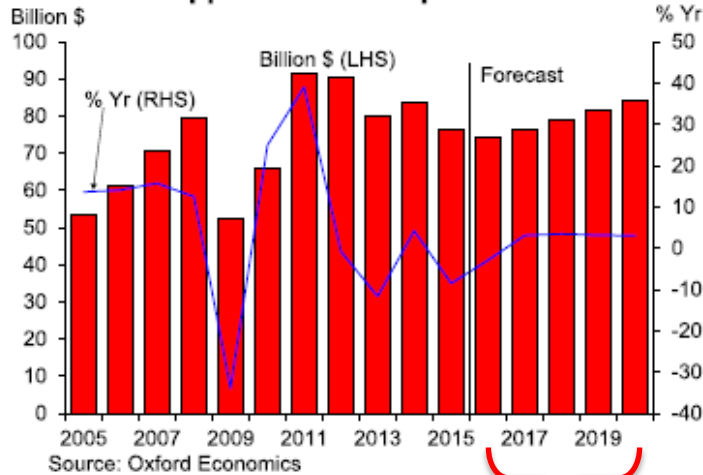




Market trends: machine tool market - by Oxford Economics (update Spring 2017)

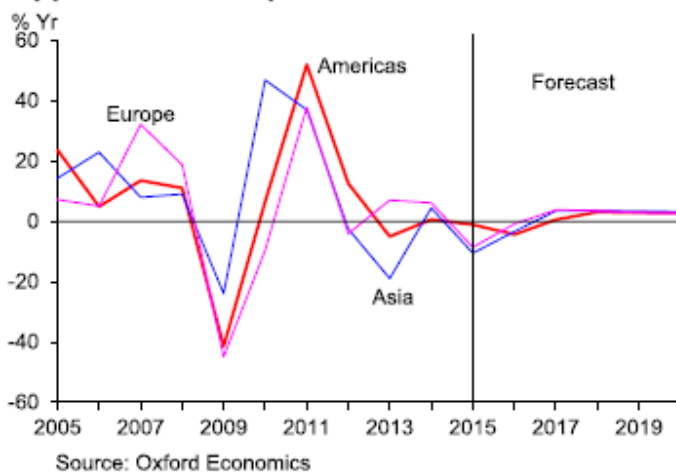


World: MT Apparent consumption

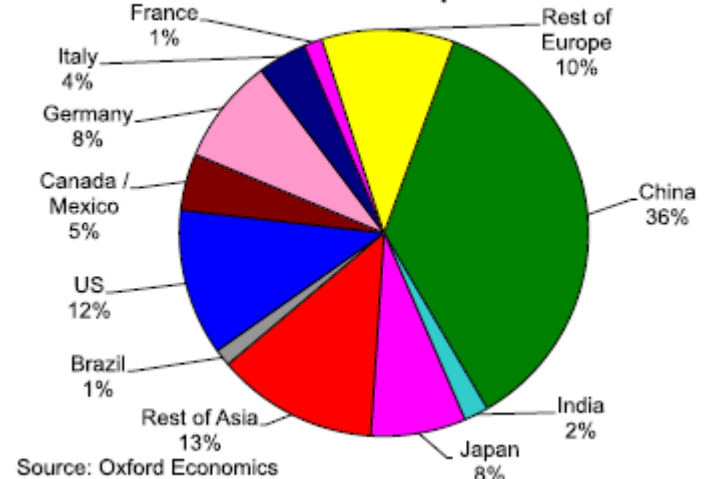


CAGR 2016 - 2020: $\approx 3\%$

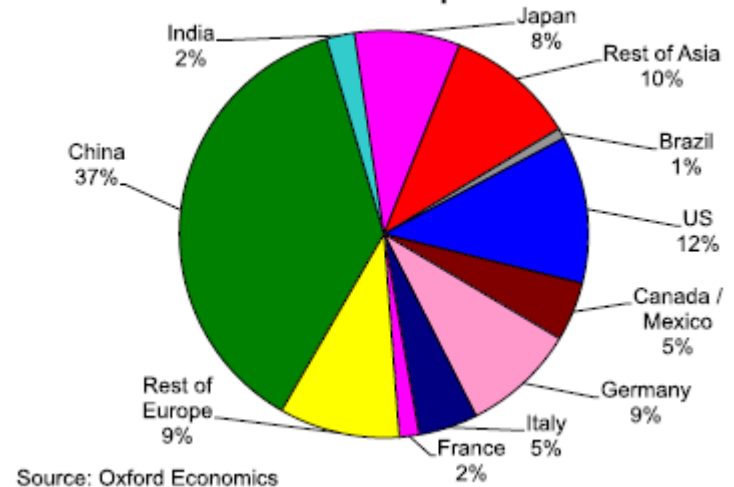
Apparent consumption



World: Machine tool consumption in 2015



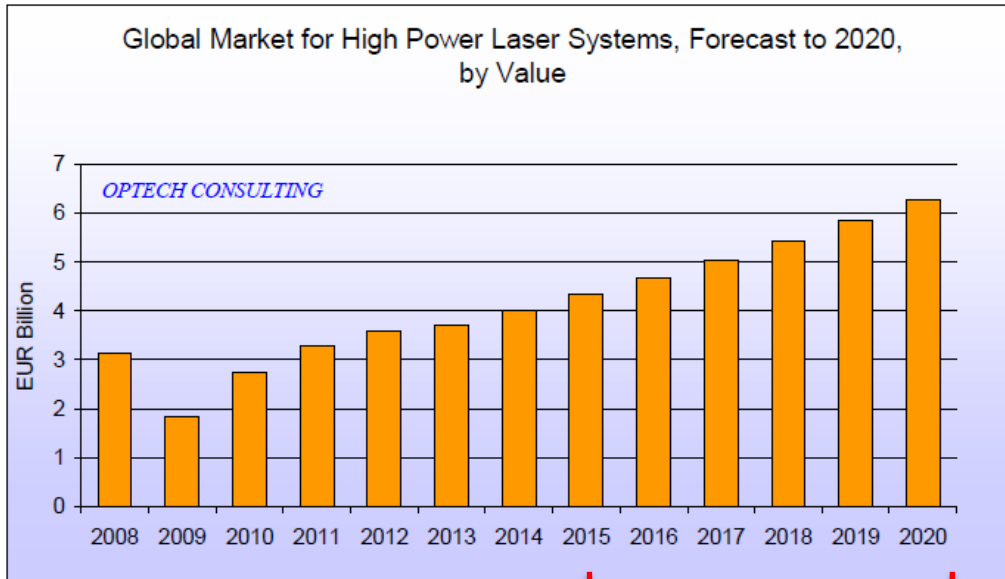
World: Machine tool consumption in 2020



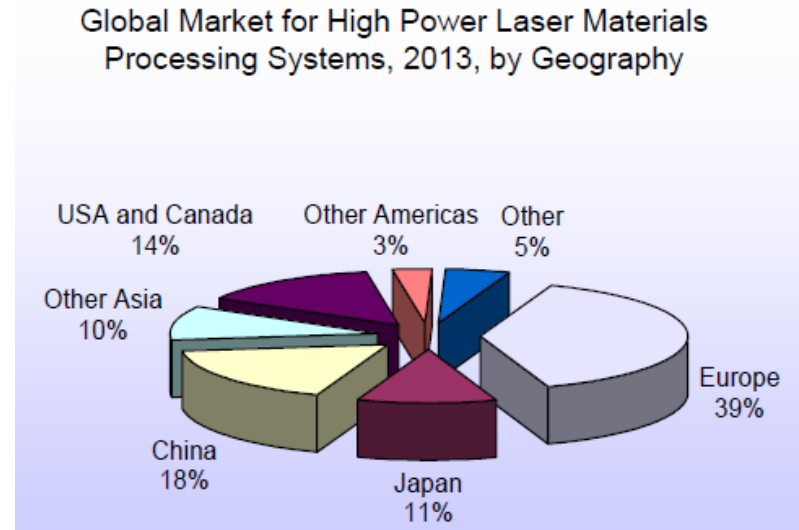


Market trends: laser systems market - by Optech Consulting (last available Jan. 2014)

OPTECH CONSULTING



CAGR 2015 -2020: 7.7%



Global market and forecast for high power laser systems

Global market (€/mio)			CAGR (%)	
2013	2016	2020	2013-2016	2016-2020
3,707	4,682	6,282	8.1	7.6



Innovation

-
- › ~6% OF REVENUES INVESTED IN R&D
 - › RANKED BY EU IN THE TOP 500 KNOWLEDGE-BASED COMPANIES IN THE CONTINENT
 - › LONG HISTORY OF INNOVATION, 1ST LASER MACHINE FOR AUTOMOTIVE APPLICATION IN 1979
 - › PIONEERS IN SERVO-ELECTRIC PUNCHING AND BENDING SYSTEMS- EFFICIENCY AND SUSTAINABILITY
 - › ABOUT 15% OF GROUP STAFF EMPLOYED IN R&D
 - › PRODUCT RANGE ALWAYS AT THE CUTTING EDGE OF TECHNOLOGY
-





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

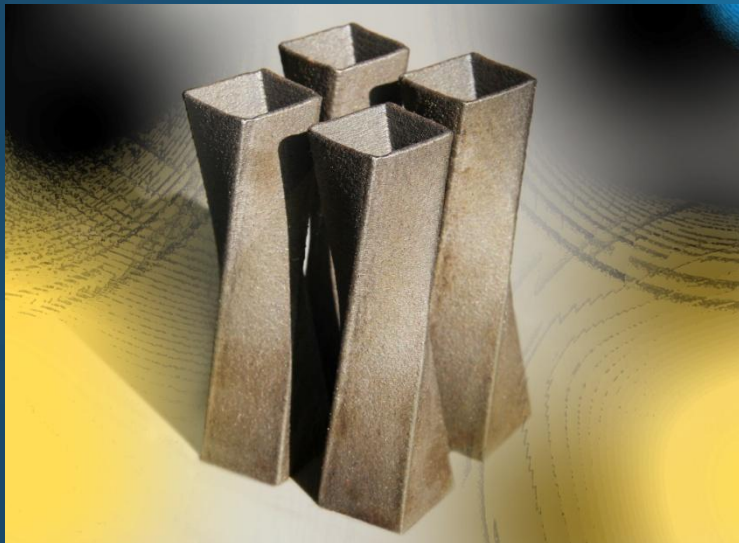
Data-driven machine diagnostics and predictive maintenance services. Production performance analysis, monitoring of machines status and condition.



Industry 4.0



TECHNOLOGIES AND SOLUTIONS FOR
INDUSTRY 4.0





Innovation

Competence Center on Laser Based Manufacturing

Industry 4.0 European machine tool builder

Inaugurated in May 2016



- Showroom with training rooms, conference rooms and hospitality area for customers
- Permanent expo of entire product range
- Built with green technologies: photovoltaic and solar panels, geothermal wells, home automation systems
- Training and awareness on Industry 4.0
- Live demo on new technologies and best practices for Industry 4.0
- Accelerator of new innovative projects



Financial statements as at Dec. 31, 2016: Balance sheet

Values in Euro	31/12/2016	31/12/2015	Values in Euro	30/09/2016	31/12/2015
Property, plant and equipment	35.281.369	28.465.557	Capital stock	26.208.185	26.208.185
Intangible assets	155.713.399	157.770.974	Legal reserve	4.565.082	4.494.745
Investments accounted for using the equity method	1.009.341	1.223.555	Other reserves	70.738.752	72.243.694
Other investments	139.051	121.358	Currency translation reserve	6.848.598	5.965.409
Non current financial assets	9.578	35.000	Retained earnings	19.276.926	14.786.376
Deferred tax assets	11.555.324	9.845.765	Net result	10.102.304	6.016.715
Other non current assets	-	19.703	Stockholders' equity of the Group	137.739.847	129.715.124
NON CURRENT ASSETS	203.708.062	197.481.912	Minority interest	1.212.065	1.196.407
Inventories	98.561.165	93.992.707	STOCKHOLDERS' EQUITY	138.951.912	130.911.531
Trade receivables	88.376.748	86.413.895	Interest-bearing loans and borrowings	111.675.762	117.805.350
Other receivables	6.425.617	8.019.131	Employee benefit liabilities	8.100.353	7.912.782
Current tax receivables	5.053.888	7.029.222	Deferred tax liabilities	8.340.653	10.518.305
Derivatives	-	47.225	Provisions	162.684	150.551
Financial assets	791.509	791.509	Derivatives	220.866	414.635
Cash and cash equivalents	62.679.901	41.365.408	NON CURRENT LIABILITIES	128.500.318	136.801.623
CURRENT ASSETS	261.888.828	237.659.097	Trade payables	88.448.383	78.323.460
Assets held for sale	318.812	284.000	Advance payments	26.029.170	21.385.159
TOTAL ASSETS	465.915.702	435.425.009	Other payables	22.076.067	19.218.309
			Interest-bearing loans and borrowings	34.894.444	25.700.281
			Current tax payables	7.695.264	7.257.725
			Provisions	18.424.370	15.796.491
			Derivatives	895.774	30.430
			CURRENT LIABILITIES	198.463.472	167.711.855
			TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	465.915.702	435.425.009



Financial statements as at Dec. 31, 2016: P & L

Values in Euro	31/12/2016	31/12/2015
Net revenues	393.885.774	364.465.523
Other income	4.217.630	4.773.331
Change in inventories of finished goods and WIP	(1.295.770)	9.667.276
Increases in fixed assets for internal work	10.450.001	11.751.310
Use of raw materials, consumables, supplies and goods	(179.095.944)	(173.263.011)
Personnel cost	(102.699.067)	(100.223.151)
Depreciation	(15.853.684)	(13.507.132)
Impairment - Write-off	(1.027.682)	(407.924)
Other operating expenses	(90.053.657)	(85.769.211)
OPERATING PROFIT	18.527.601	17.487.011
<i>of which: non recurring items</i>	<i>(1.752.995)</i>	<i>(1.017.205)</i>
Financial income	626.831	693.514
Financial expenses	(8.507.194)	(9.472.762)
Net exchange differences	(349.409)	(531.702)
Net result of investments accounted for using the equity method	1.057.207	-
Net result of other investments	(7.729)	(44.300)
RESULT BEFORE TAXES	11.347.307	8.131.761
<i>of which: non recurring items</i>	<i>(703.517)</i>	<i>(3.425.832)</i>
Taxes	(1.187.184)	(2.525.917)
NET RESULT	10.160.123	5.605.844
- Attributable to Group shareholders	10.102.304	6.016.715
- Attributable to minority shareholders	57.819	(410.871)
RESULT PER SHARE - BASIC (in euro)	0,96	0,57
RESULT PER SHARE - DILUTED (in euro)	0,96	0,57



Financial statements as at Dec. 31, 2016: P & L by destination

<i>Values in €/mil</i>	ACT 31.12.16
Sales of machines/products	302,12
Sales of spare parts	55,82
Sales of services	35,95
Gross sales	393,89
Selling expenses	(11,43)
Net sales	382,46
COGS	(286,66)
Gross margin - statutory[□]	95,80
Gross margin - statutory %[□]	24,3%
R&D	(10,76)
Sales & Marketing	(27,93)
G&A and Management	(21,70)
EBITDA[□]	35,41
EBITDA %[□]	9,0%
Depreciation & Amortization	(16,88)
EBIT[□]	18,53
EBIT %[□]	4,7%
Net Financial Result of Investments	1,05
Financial income	0,63
Financial expenses	(8,51)
Net Exchange Differences	(0,35)
EBT	11,35
Taxes	(1,19)
Net Result	10,16
- <i>Attributable to Group shareholders</i>	<i>10,10</i>
- <i>Attributable to minority shareholders</i>	<i>0,06</i>

From 1/1/2017 the Company reports P&L figures with a view by destination .



Financial statements as at Dec. 31, 2016: Net financial position

	Net financial Position	31/12/16	31/12/15	change
A	CASH ON HAND	62.680	41.365	21.315
B	CURRENT FINANCIAL RECEIVABLES	792	839	(47)
C	CURRENT BANK PAYABLES	5.454	9.222	(3.768)
D	CURRENT PART OF NON-CURRENT INDEBTNESS	24.993	14.328	10.665
E	BONDS ISSUED	871	869	2
F	OTHER CURRENT FINANCIAL PAYABLES	4.472	1.312	3.160
G	CURRENT FINANCIAL INDEBTNESS (C+D+E+F)	35.790	25.731	10.059
H	NET CURRENT FINANCIAL INDEBTNESS (G-A-B)	(27.682)	(16.473)	(11.209)
I	NON-CURRENT BANK PAYABLES	59.195	74.077	(14.882)
J	BONDS ISSUED	39.660	39.591	69
K	OTHER NON-CURRENT FINANCIAL PAYABLES	13.042	4.552	8.490
L	NON-CURRENT FINANCIAL INDEBTNESS (I+J+K)	111.897	118.220	(6.323)
M	NET FINANCIAL POSITION (H+L)	84.215	101.747	(17.532)



Financial statements as at Mar. 31, 2017: Balance sheet

Values in Euro	31/03/2017	31/12/2016	Values in Euro	31/03/2017	31/12/2016
Property, plant and equipment	34.761.324	35.281.369	Capital stock	26.208.185	26.208.185
Intangible assets	154.367.930	155.713.399	Legal reserve	4.565.082	4.565.082
Investments accounted for using the equity method	-	1.009.341	Other reserves	72.532.677	70.738.752
Other investments	179.551	139.051	Currency translation reserve	6.286.626	6.848.598
Non current financial assets	9.578	9.578	Retained earnings	27.621.702	19.276.926
Deferred tax assets	12.702.300	11.555.324	Net result	836.514	10.102.304
Other non current assets	-	-	Stockholders' equity of the Group	138.050.785	137.739.847
NON CURRENT ASSETS	202.020.683	203.708.062	Minority interest	1.138.245	1.212.065
Inventories	117.563.897	98.561.165	STOCKHOLDERS' EQUITY	139.189.030	138.951.912
Trade receivables	85.624.409	88.376.748	Interest-bearing loans and borrowings	112.913.724	111.675.762
Other receivables	8.261.808	6.425.617	Employee benefit liabilities	7.976.956	8.100.353
Current tax receivables	7.305.127	5.053.888	Deferred tax liabilities	8.407.960	8.340.653
Financial assets	791.509	791.509	Provisions	160.545	162.684
Cash and cash equivalents	43.816.685	62.679.901	Derivatives	53.833	220.866
CURRENT ASSETS	263.363.436	261.888.828	NON CURRENT LIABILITIES	129.513.018	128.500.318
Assets held for sale	1.303.208	318.812	Trade payables	84.148.336	88.448.383
TOTAL ASSETS	466.687.326	465.915.702	Advance payments	30.463.089	26.029.170
			Other payables	22.839.886	22.076.067
			Interest-bearing loans and borrowings	32.362.645	34.894.444
			Current tax payables	7.207.921	7.695.264
			Provisions	20.562.965	18.424.370
			Derivatives	400.436	895.774
			CURRENT LIABILITIES	197.985.278	198.463.472
			TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	466.687.326	465.915.702



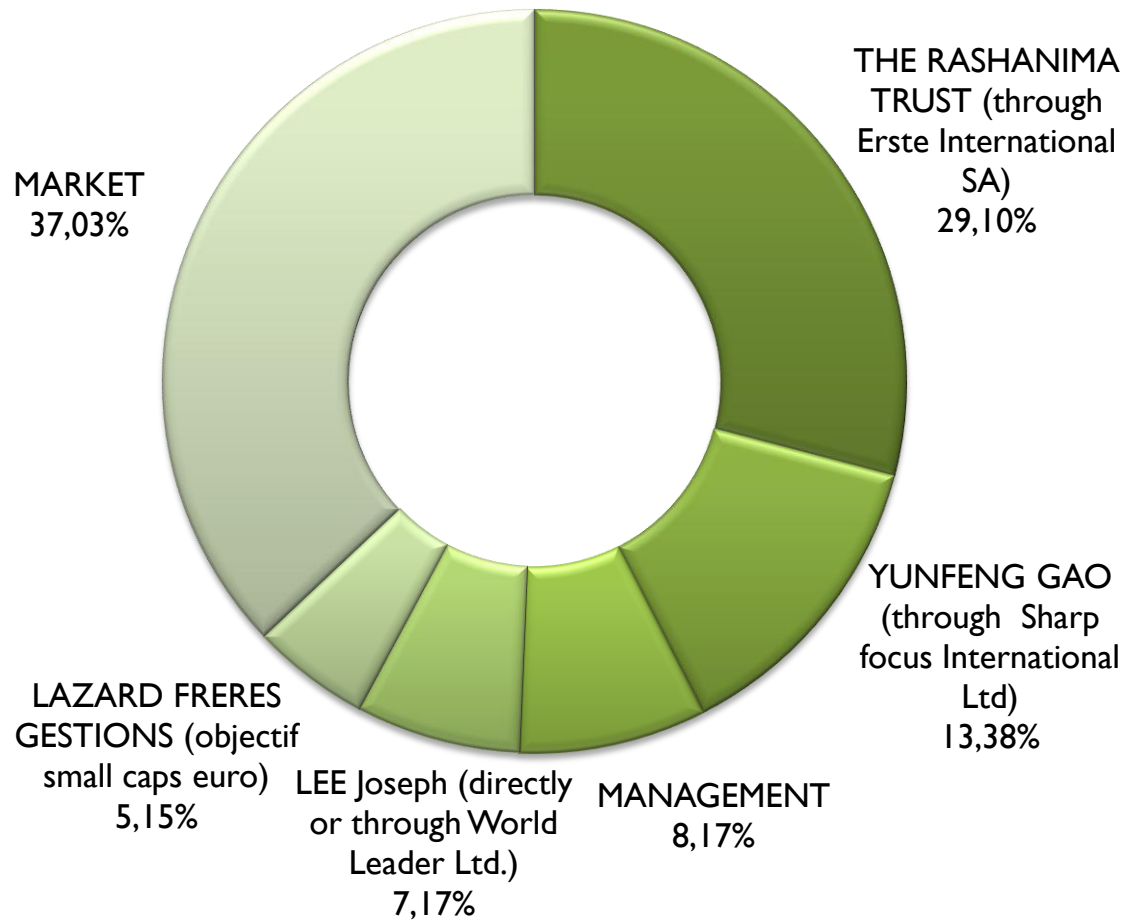
Financial statements as at Mar. 31, 2017:

P & L

Values in Euro	31/03/2017	31/03/2016
Net revenues	89.482.554	79.420.511
Cost of goods sold	(67.456.640)	(59.224.520)
GROSS MARGIN	22.025.914	20.195.991
Research and Development costs	(3.237.748)	(3.033.516)
Sales and marketing expenses	(6.916.527)	(6.832.778)
General and administrative expenses	(5.593.246)	(5.627.766)
OPERATING GROSS MARGIN (EBITDA)	6.278.393	4.701.931
Impairment - Write-off	-	-
Depreciation	(4.299.307)	(3.653.902)
OPERATING PROFIT (EBIT)	1.979.086	1.048.029
Financial income	666.105	501.928
Financial expenses	(1.692.113)	(1.751.578)
Net exchange differences	(139.282)	(829.183)
Net result of investments accounted for using the equity method	-	209.324
Net result of other investments	226.664	-
RESULT BEFORE TAXES (EBT)	1.040.460	(821.480)
Taxes	(270.797)	389.754
NET RESULT	769.663	(431.726)
- <i>Attributable to Group shareholders</i>	836.514	(359.397)
- <i>Attributable to minority shareholders</i>	(66.851)	(72.329)
RESULT PER SHARE - BASIC (in euro)	0,08	(0,03)
RESULT PER SHARE - DILUTED (in euro)	0,08	(0,03)



Shareholding structure



Source: latest dividend payment (May 2016)



THANK YOU !

