

 PRIMA
INDUSTRIE



1977-2017 : 40 SPARKLING YEARS

 **BANCA IMI**

ISMO Paris - June 6th, 2018



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**
- **1,781 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



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



Our presence in the world

Prima Industrie at a glance

We are always close to our customers, wherever they are.

Prima Industrie is present in 5 continents with over 1700 employees and a network of specialized distributors.

Industrial footprint

8 plants in 3 continents



Headquarters
PRIMA
INDUSTRIE

Prima
Power

Prima
Electro

Sales and service footprint



Branches and subsidiaries
in 28 countries worldwide



Presence including
distributors and agents
in over 80 countries



More details about our presence
in the world are available online:
[primaindustrie.com/
our-presence-in-the-world](http://primaindustrie.com/our-presence-in-the-world)

AMERICA



PRIMA POWER
LASERDYNE LLC
Champlin, MN - USA



CONVERGENT
PHOTONICS LLC
Chicopee, MA - USA

EUROPE



PRIMA INDUSTRIE
HEADQUARTERS
AND TECH CENTER
Collegno (TO) - Italy



PRIMA INDUSTRIE SPA
Collegno (TO) - Italy



PRIMA INDUSTRIE SPA
Cologna Veneta (VR) -
Italy



PRIMA ELECTRO SPA
Moncalieri (TO) - Italy



PRIMA ELECTRO SPA
Barone (TO) - Italy

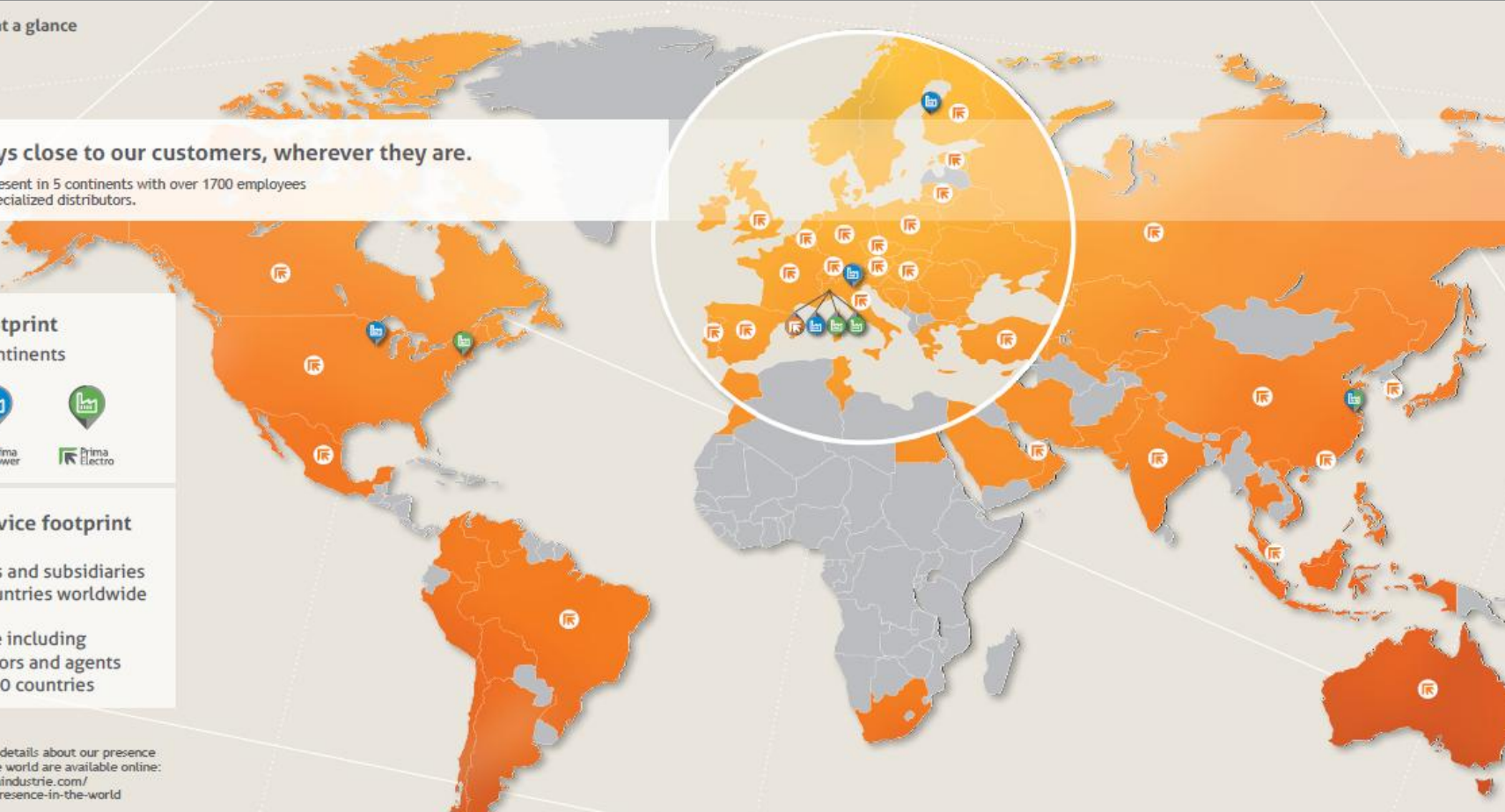


FINN POWER OY
Kauhava - Finland

ASIA

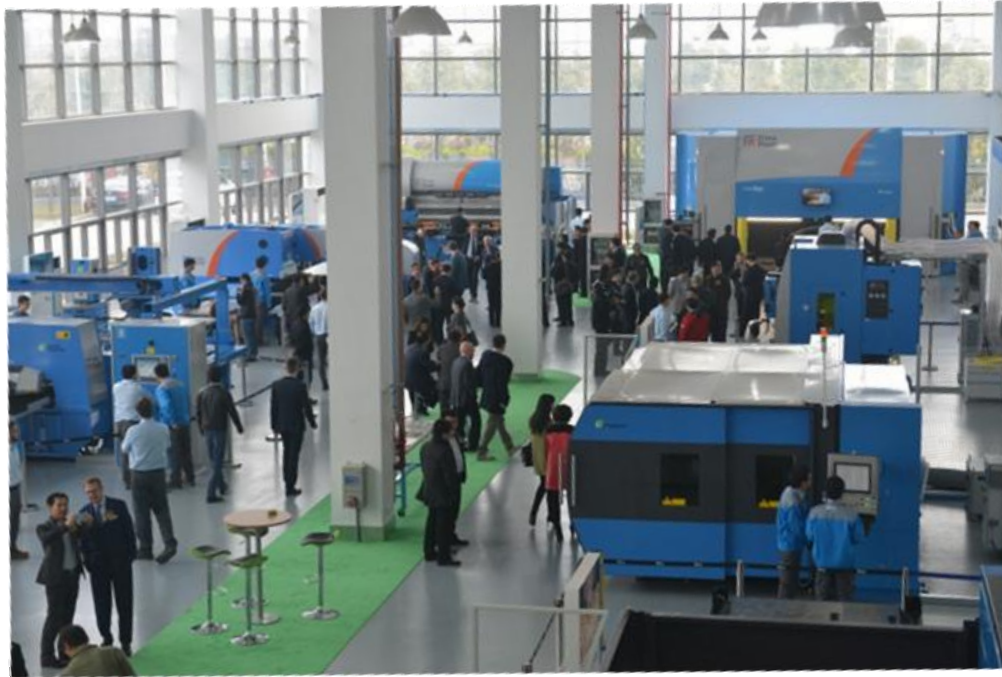


PRIMA POWER
SUZHOU CO. LTD
Suzhou, China





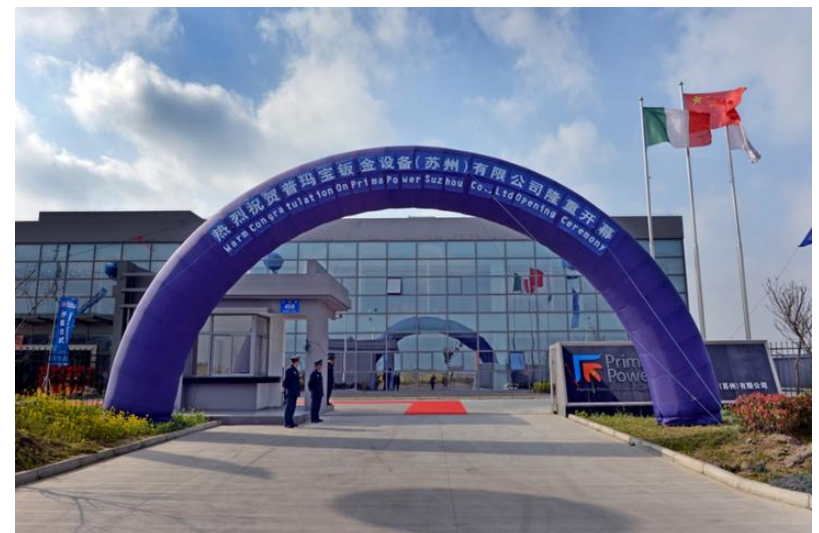
2015 - New Plant in Suzhou (China)



SHOWROOM



MARCH 2015 - OPENING CEREMONY
WITH BOTH CHINESE AND ITALIAN AUTHORITIES



SUZHOU MANUFACTURING PLANT



2016 - New HQTC in Collegno (Italy)

HEADQUARTERS & TECH CENTER



HIGH ENERGY EFFICIENCY BUILDING



GREEN BUILDING

430.000 kWh/anno*

Risparmio energetico: 300 ton di CO₂ - 100 tep

* Valore di risparmio energetico rispetto ai sistemi tradizionali espressi in kWh/anno

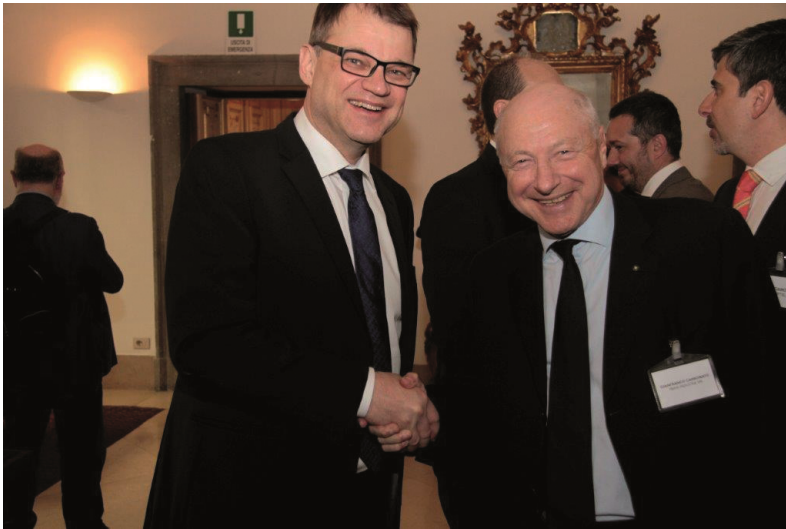


IN 2017
APPROX 1,000 VISITORS
FROM
475 COMPANIES



2018 - New Plant in Seinäjoki (Finland)

RENDERING NEW PLANT



Shake-hands between Finnish Prime Minister (Juha Sipilä) and Gianfranco Carbonato

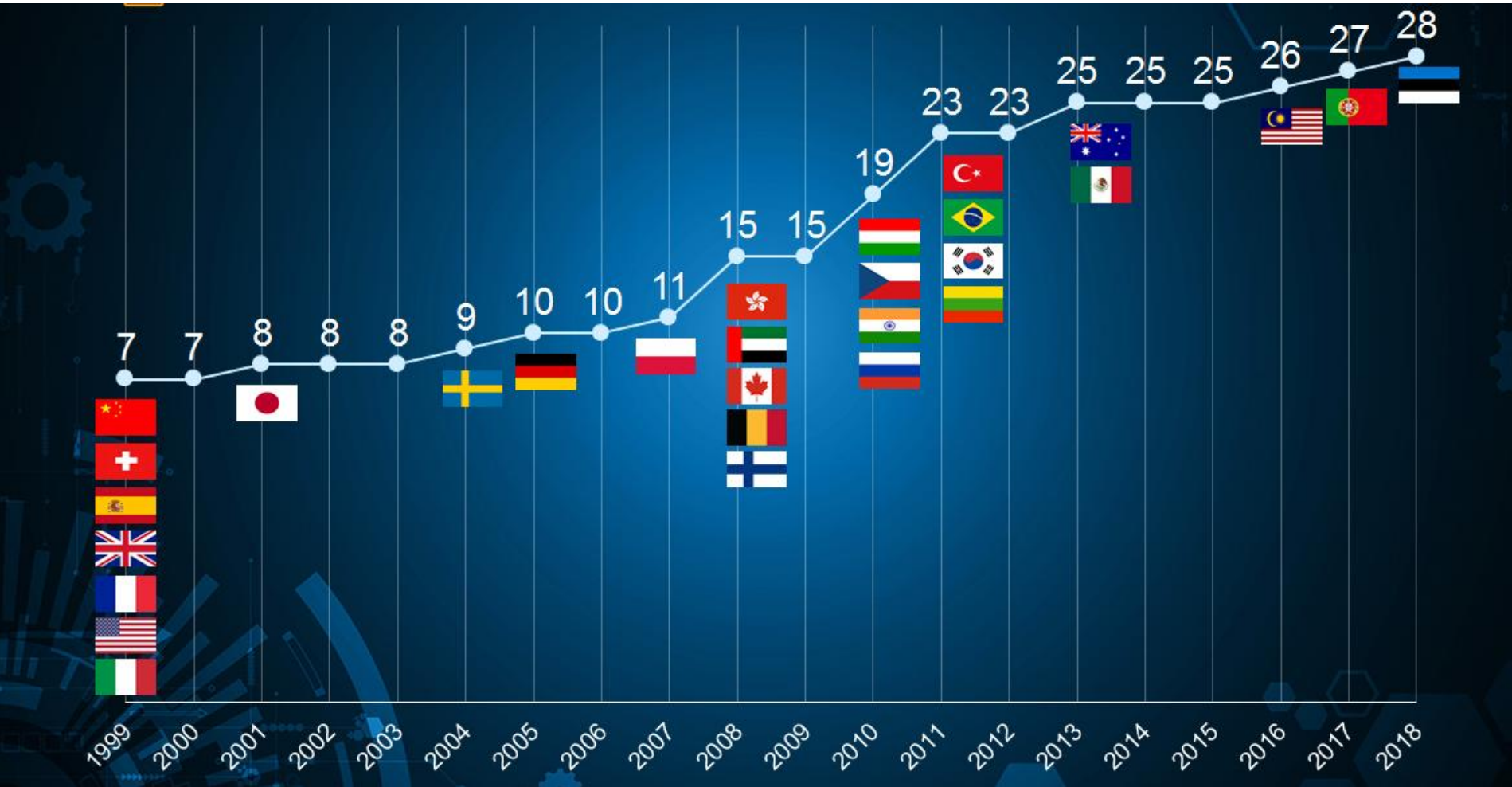


WORK-IN-PROGRESS



Sales & service footprint

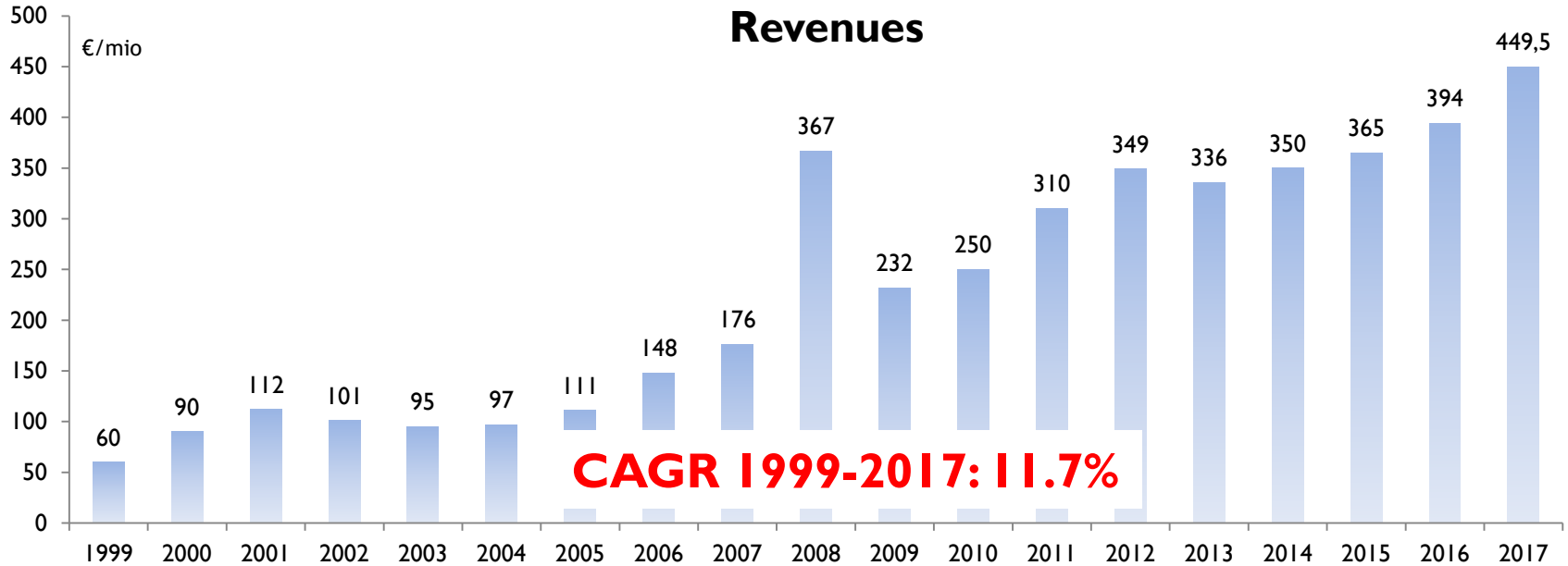
OTHER 50+ COUNTRIES SERVED WITH AGENTS & DISTRIBUTORS





A history of growth

Revenues



CAGR 1999-2017: 11.7%

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

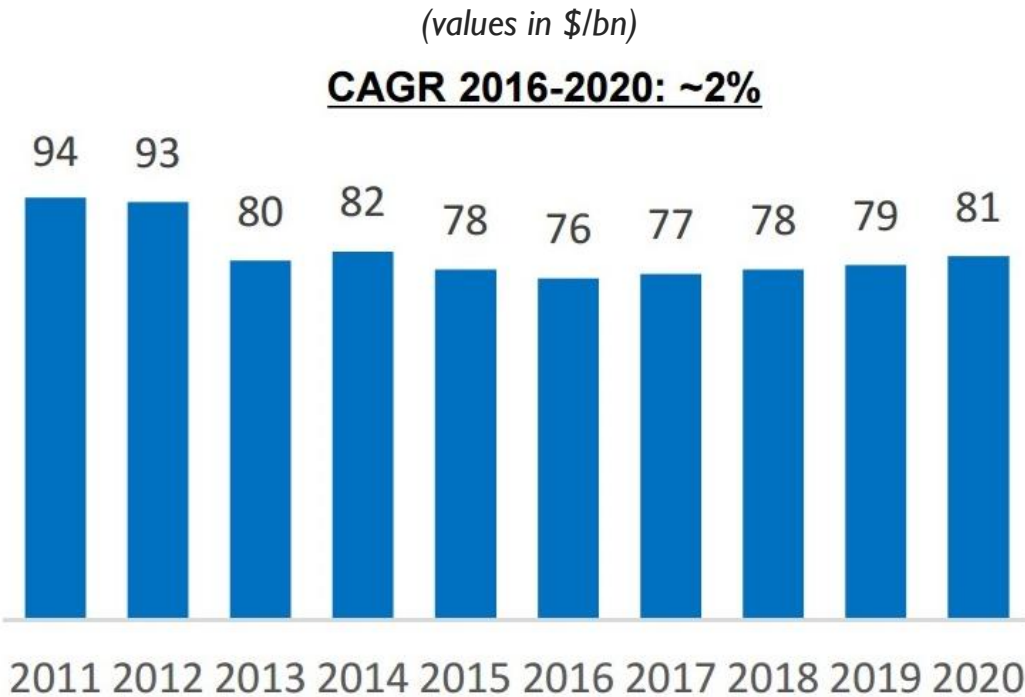
2011-2013
• New commercial subsidiaries in emerging markets (Brazil, India, Russia, Turkey, UAE, Australia, Mexico, Korea)
• Agreement for Panel Benders with Amada for Japan

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

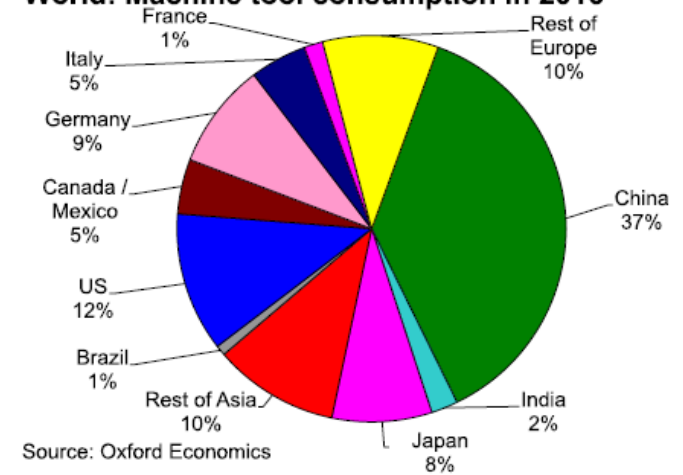
2016
• New HQTC (Turin)



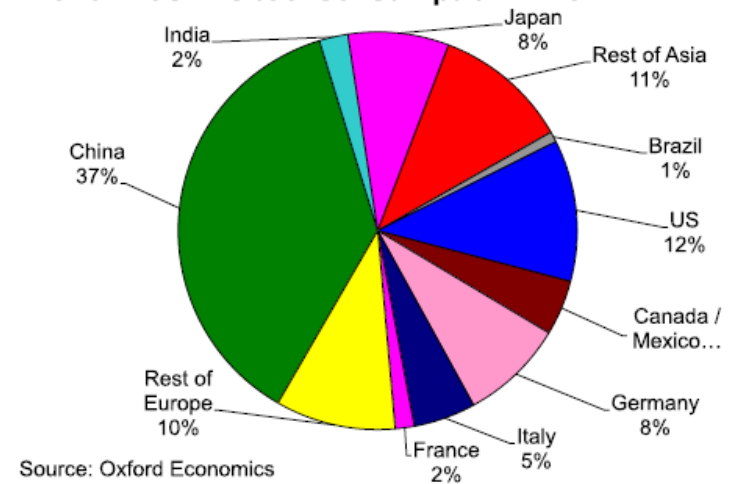
Market trends: machine tool market - by Oxford Economics (update Spring 2017)



World: Machine tool consumption in 2016



World: Machine tool consumption in 2021

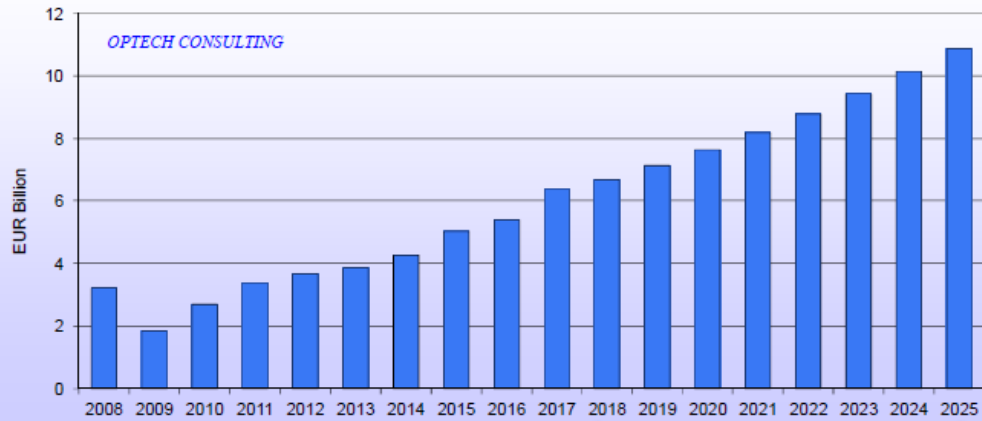




Market trends: laser systems market - by Optech Consulting

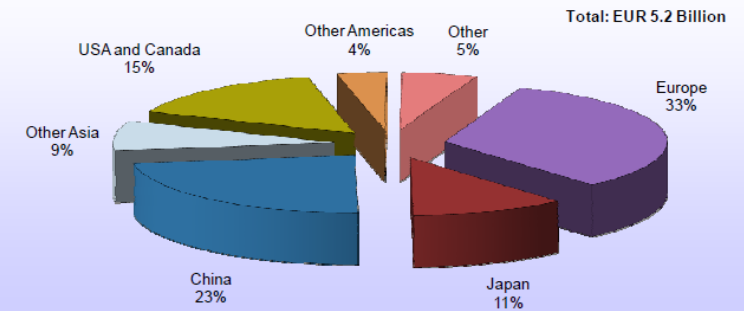
OPTECH CONSULTING

Global Market for High Power Laser Systems, Forecast to 2025,
by Value



CAGR 2018-2025: 7.2%

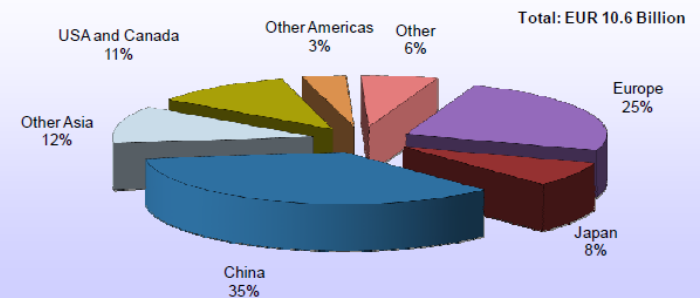
Global Market for High Power Laser Materials
Processing Systems*, 2016, by Geography



* Not including surface treatment and additive manufacturing systems

OPTECH CONSULTING

Global Market for High Power Laser Materials
Processing Systems*, 2025, by Geography



* Not including surface treatment and additive manufacturing systems

OPTECH CONSULTING



Growth drivers

REVENUE DRIVERS



- Machine Tool market expected growth (*Oxford Economics*) - **cagr 2016-2020: 2%**
- Laser market expected growth (*Optech Consulting*) - **cagr 2018-2025: 7.2%**
- Success of newly released products
- Strengthening of market coverage in China & Asia
- New HQTC (Headquarters & Tech Center) boosting order intake

EBITDA DRIVERS



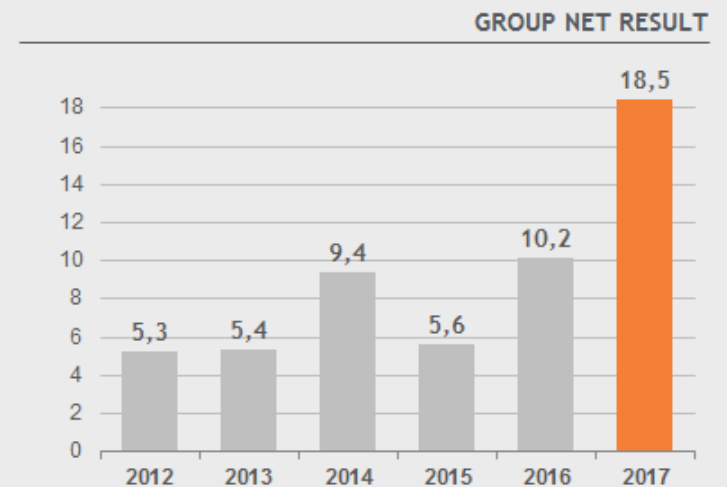
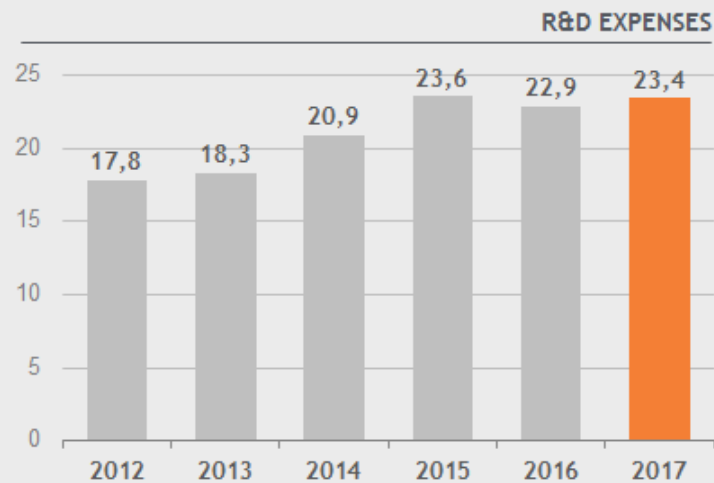
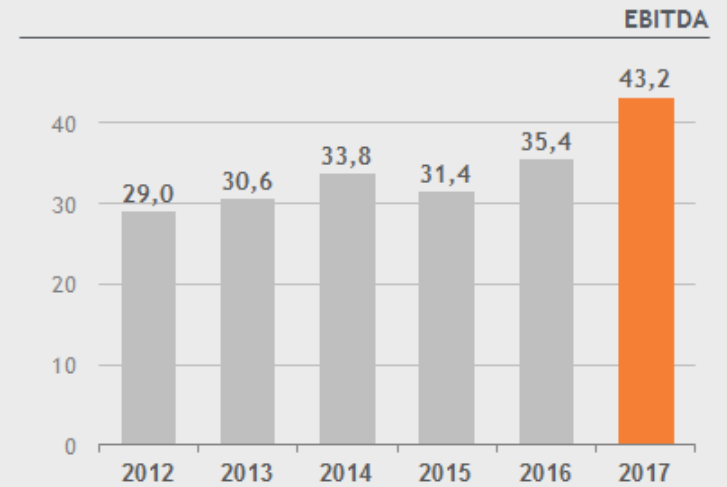
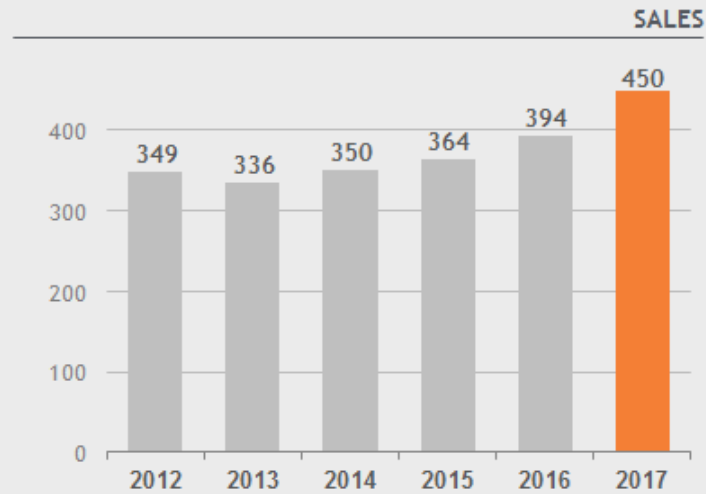
- Higher volumes = Operational leverage
- Progressive increase in fiber laser in sourcing
- Diode Fab success in diodes development
- New Additive Manufacturing Division



Economic trends

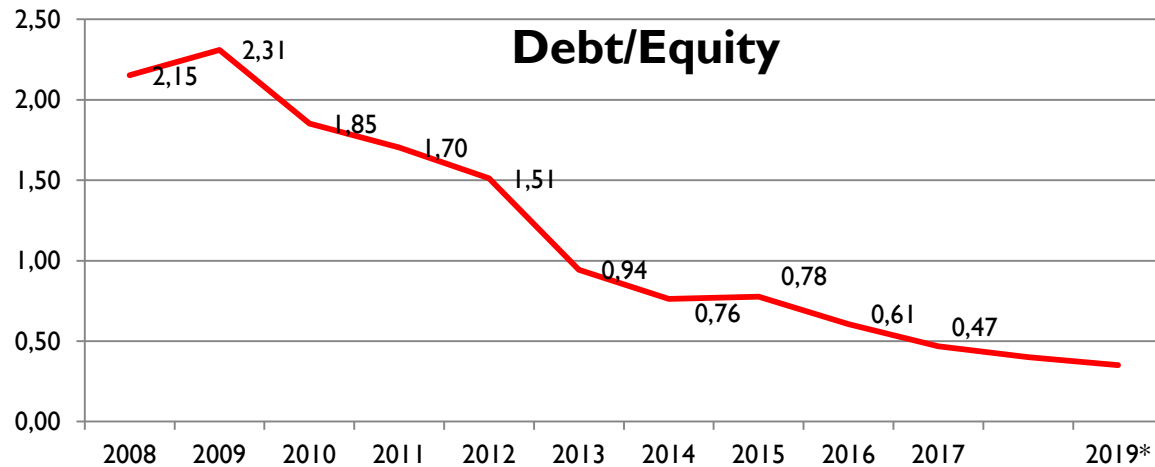
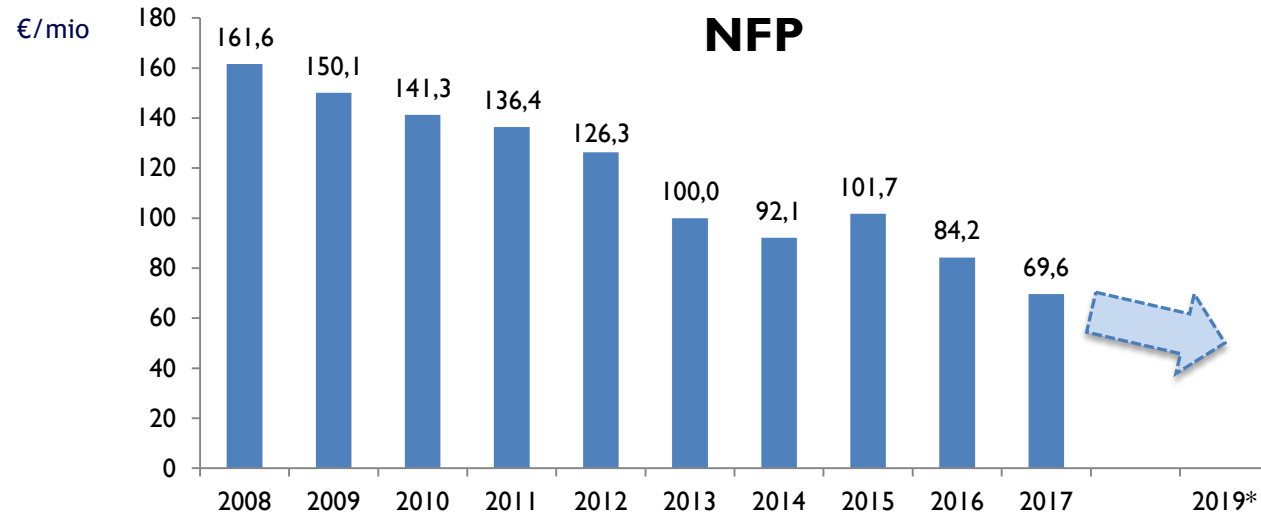
OUR GROUP - KEY INDICATORS

VALUE IN EURO MILLION





Net financial position trend



* = according to Company's business plan

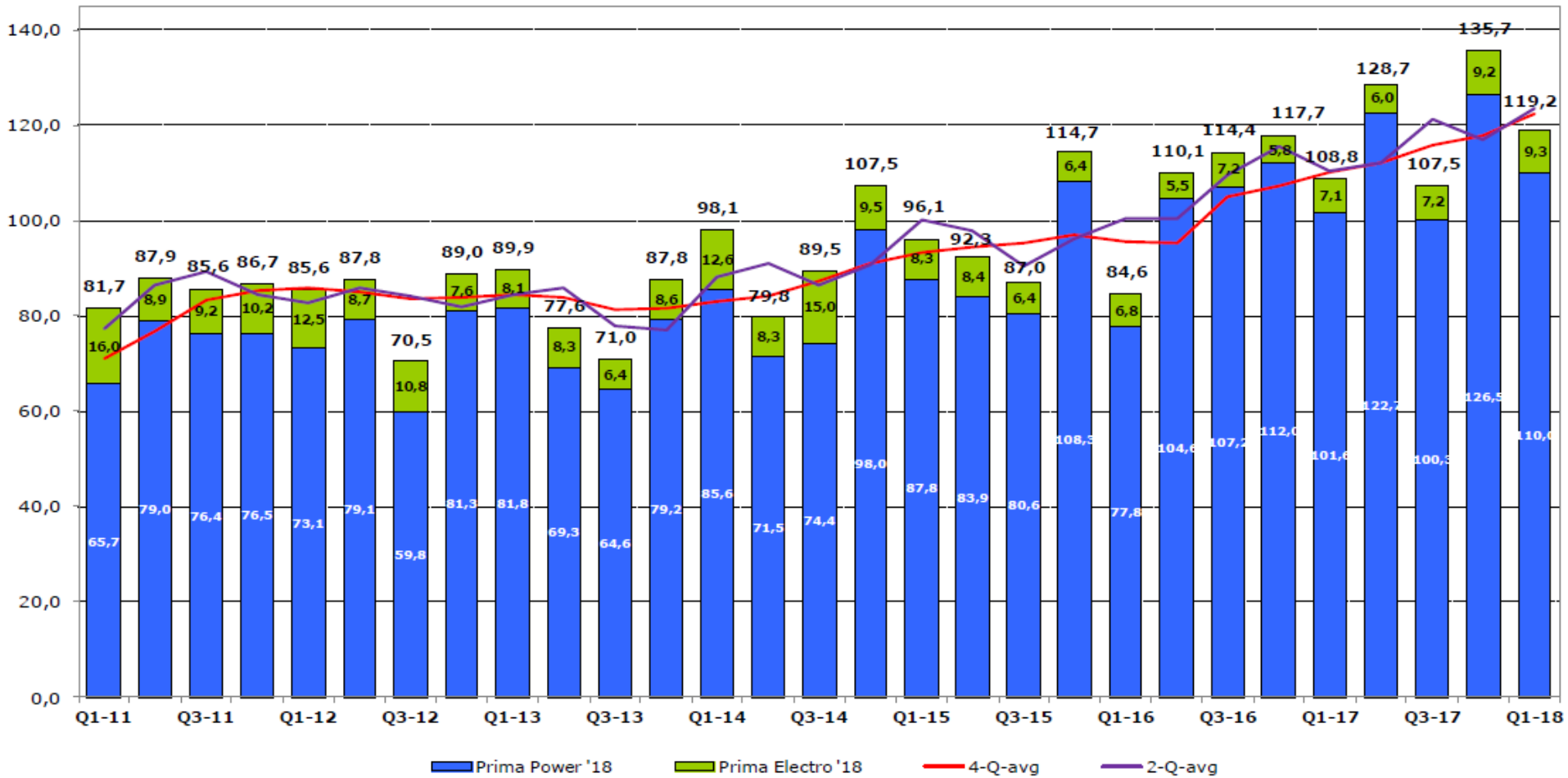


M/L term debt refinancing on main operations

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	Euribor +1,50	2022/2023
TOTAL		108	3,70	2018/2022		TOTAL		115	2,10	2022/2025



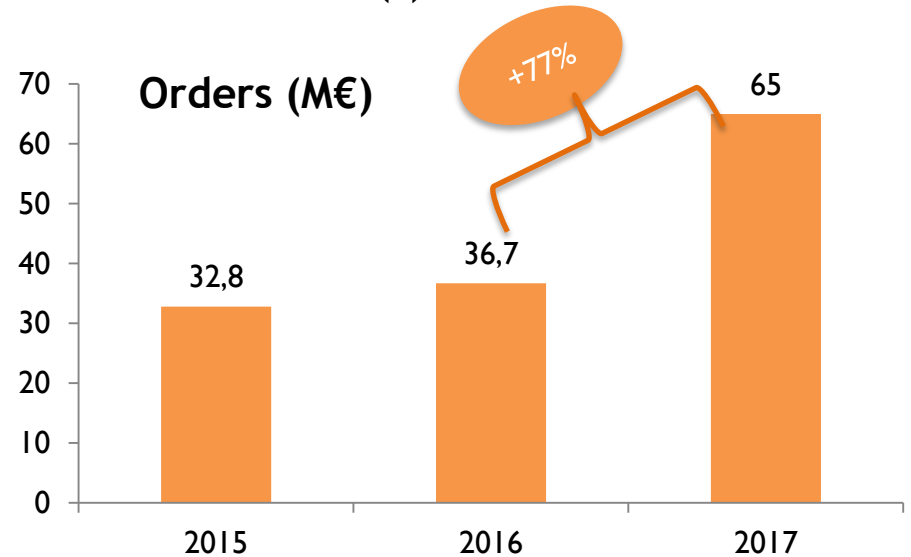
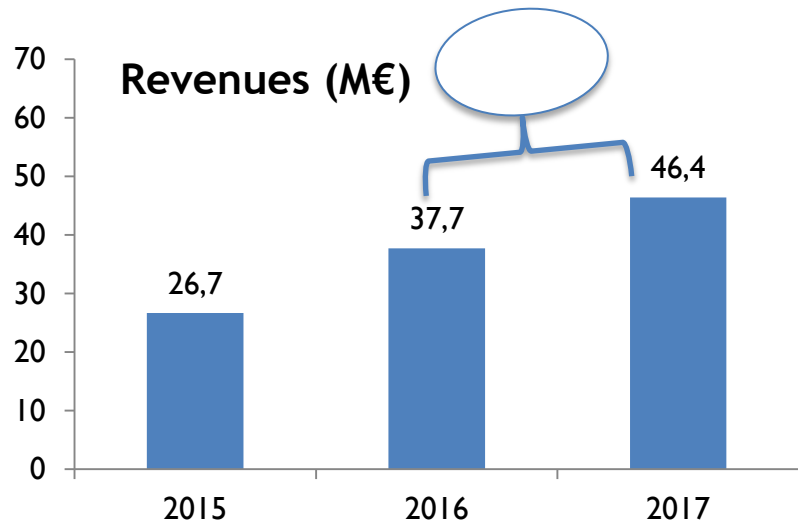
Quarterly order intake since 2011





Focus on Italian Market

FOCUS ON MACHINE BUSINESS - AREA ITALY (*)



(*): ITALY + EX-YUGO, NOT INCLUDING ELECTRONICS & AFTER SALES

STRONG GROWTH IN 2017
BOOSTED BY INDUSTRY 4.0
TAX INCENTIVES



3D CUTTING AREA
AT CECOMP CUSTOMER
(TURIN AREA)



Analysts' consensus

	2018				2019				Company Business Plan
	B. IMI	Mediobanca	B. Akros	Consensus	B. IMI	Mediobanca	B. Akros	Consensus	
	46,4	40,5	40,0		46,4	40,5	40,0		
REVENUES	485	482,8	477	481,6	510	508,2	510,5	509,6	500
EBITDA	54,81	52,1	57	54,6	61,2	61	65,4	62,5	60
EBIT	37,95	33,8	41	37,6	44,34	41,9	49,9	45,4	-
NET RESULT	32,77	28,7	27	29,5	31,69	30,9	33,9	32,2	-
NFP	-54,2	-55,9	-63	-57,7	-34,8	-32,7	-40,4	-36,0	-



MEDIOBANCA *Released May 8, 2018*



BANCA IMI *Released May 11, 2018*

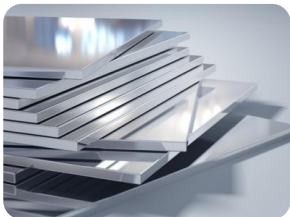
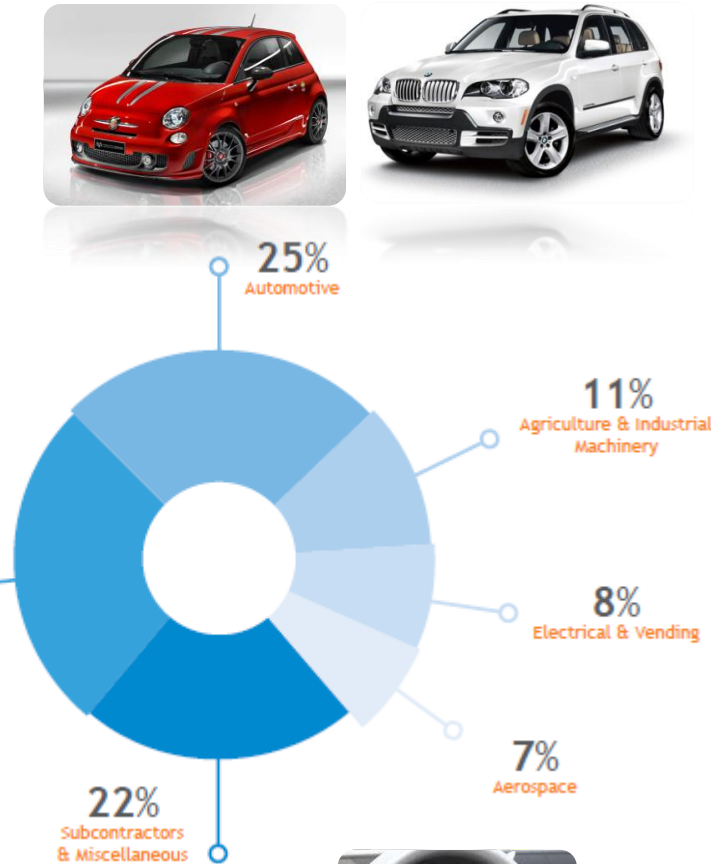


Released November 6, 2017



Machine revenues by application (2017)

MACHINE SALES BY INDUSTRY



Figures FY 2017



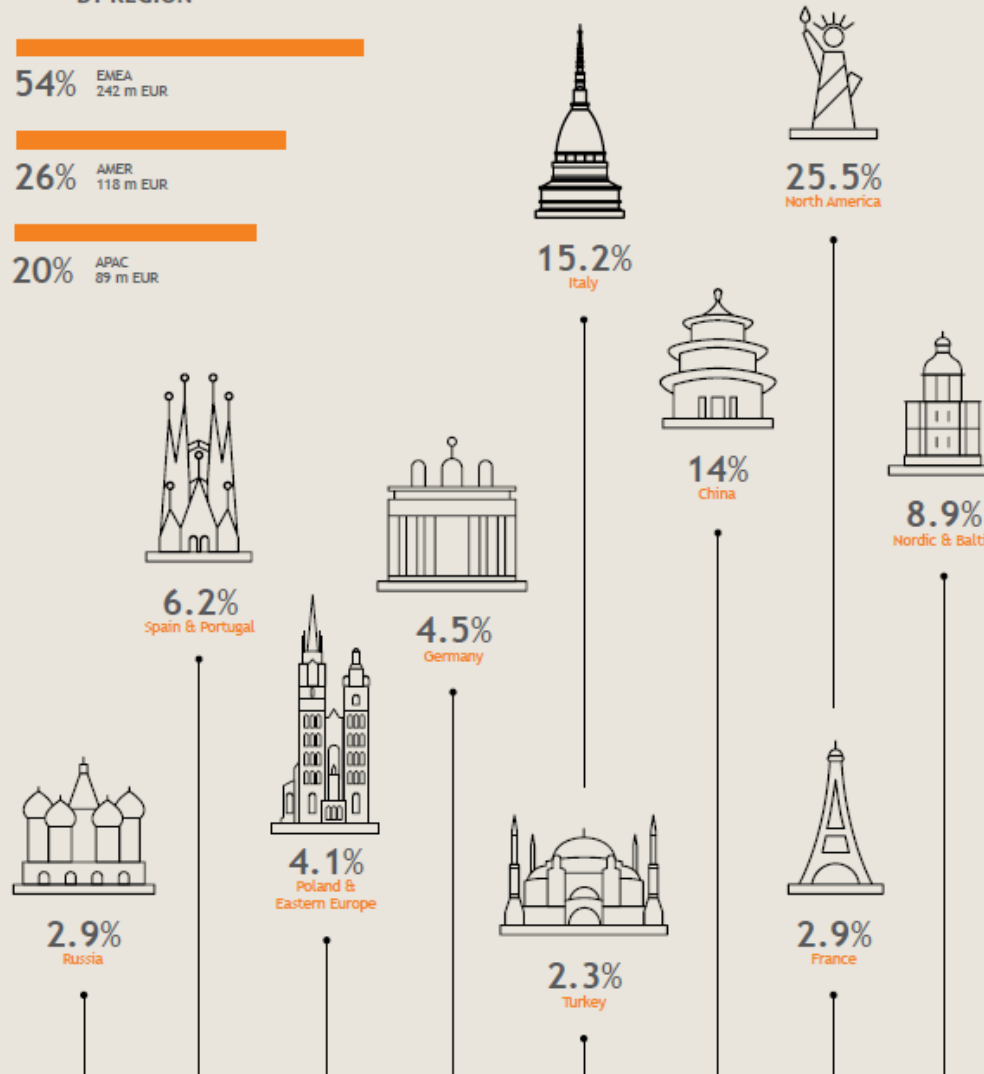
Regional Highlights (2017)

REVENUES BY REGION

54% EMEA
242 m EUR

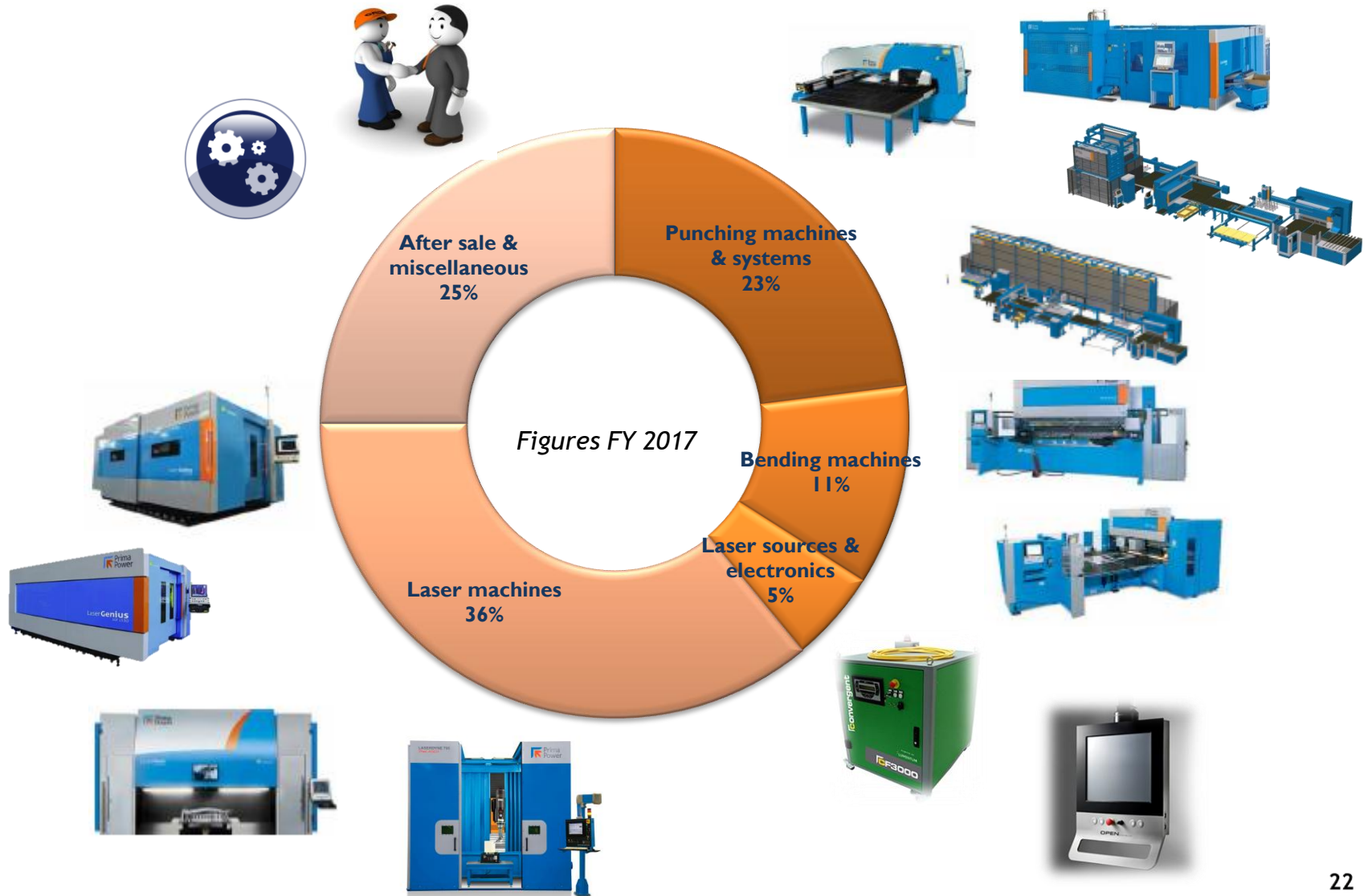
26% AMER
118 m EUR

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



EMPLOYEES IN ITALY

31/12/17

COLLEGNO

396

COLOGNA VENETA

227

MONCALIERI & BARONE

211

PRIMA GROUP

834

AVERAGE EMPLOYEE AGE: **39**

INVESTMENTS IN YOUNG TALENTS:

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



Competitive & Comprehensive product range

The Laser

3D



Laser Next

The System



PSBB

The Bend



Bce Smart

The Combi



Combi Genius

The Punch



Shear Punch

2D



Laser Genius

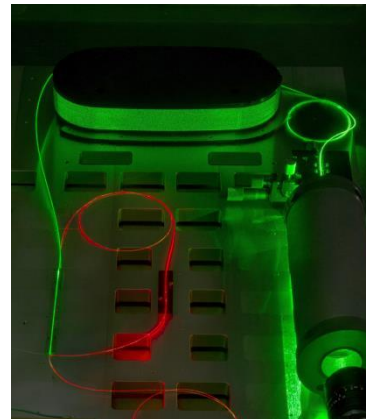
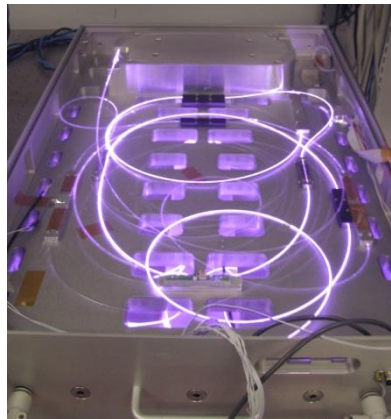
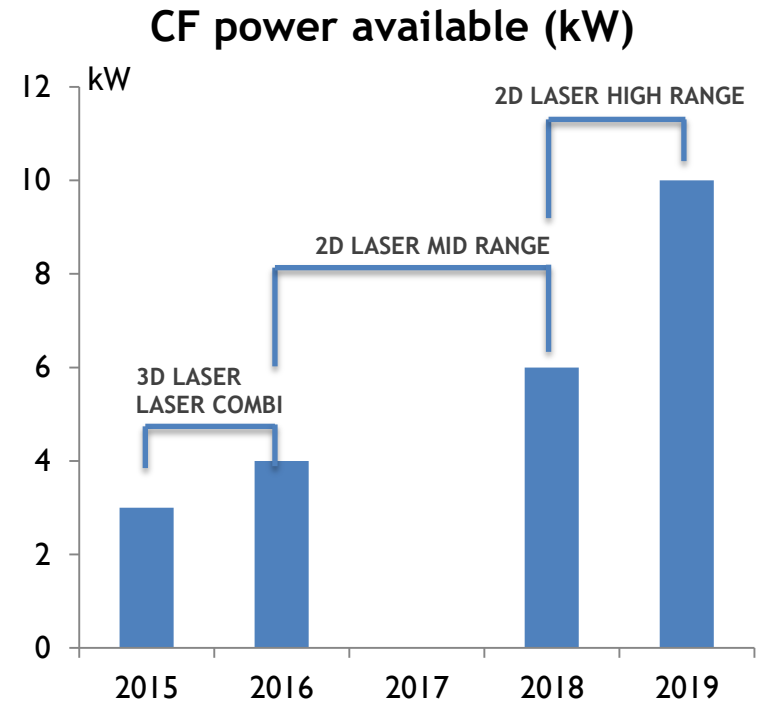
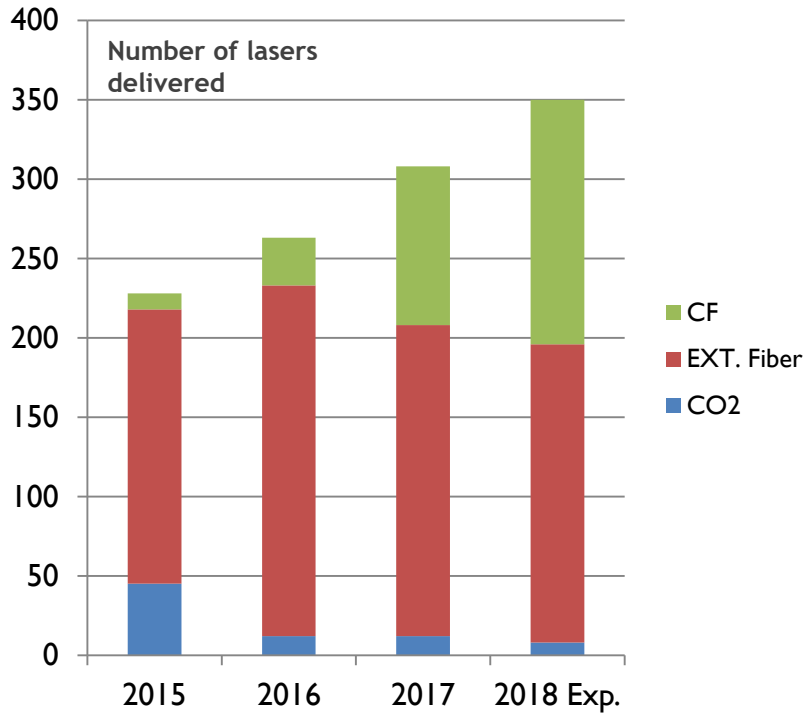


State-of-the-art laser and electronic technologies





Focus on CF fiber laser family





A selection from our 2,000 customers ww



RENAULT
VOLVO
Audi
BMW
KARSAN
PROTON
Ford
Go Further
FCA
东风汽车公司
DONGFENG MOTOR CORPORATION
Gonvarri
Steel Services
TATA
ITALDESIGN
MAGNA
SUNGWOO HITECH
GEELY
CECOMP
tiberina
EDAG
GESTAMP
Metalsa
Quality as a way of life
GRUPO DOVER
SISTEMA DE TROQUELES
SALZGITTERAG
Stahl und Technologie
ThyssenKrupp
COMAU
ORAN
屹豐集團
YI FENG GROUP
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
A GE Aviation Business
TurboCare
mitsubishi
Solar Turbines
A Caterpillar Company
DONCASTERS
NORTHROP GRUMMAN
HITACHI
Inspire the Next
STEMAC
GRUPOS GERADORES
ABB
SIEMENS
GE Oil & Gas
HIMOINSA
HYUNDAI
EMERSON
AREVA
Liebert.
Kawasaki
Joint Stock Company
“KALUGATURBINE WORKS”



A selection from our 2,000 customers ww



ELECTRICAL & VENDING EQUIP. - OTHERS





Innovation

- ▶ 5÷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

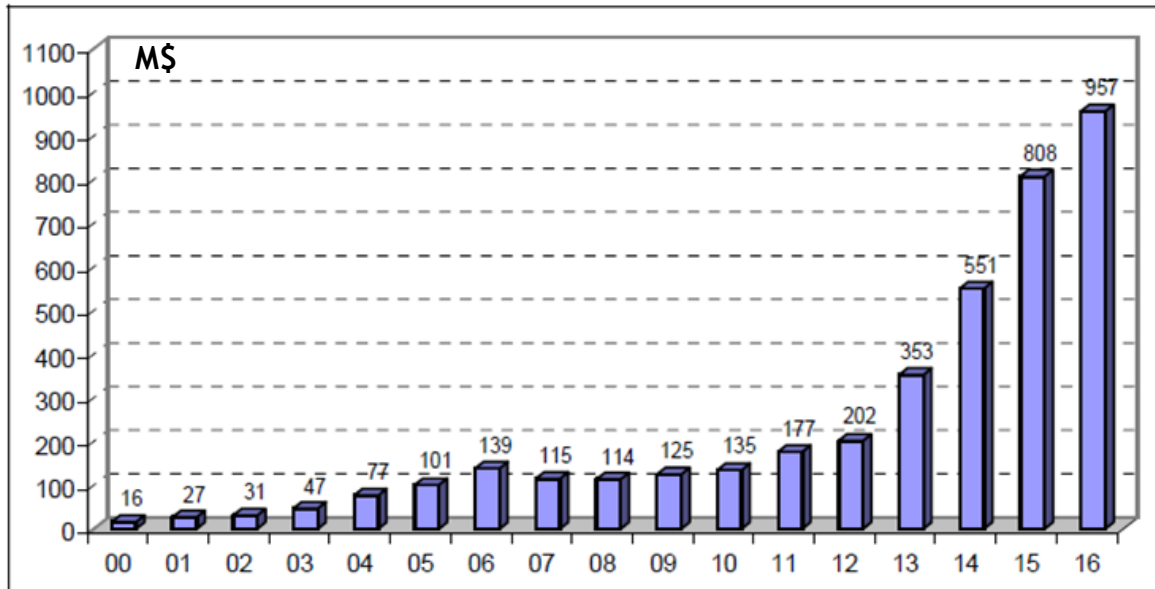
Data-driven machine diagnostics and predictive maintenance services. Production performance analysis, monitoring of machines status and condition.



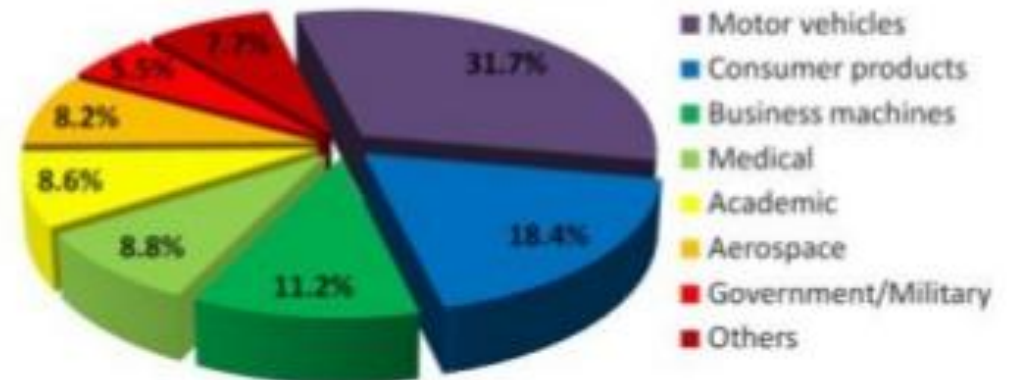
New Additive Manufacturing division



Metal Additive manufacturing systems



Adoption of Rapid Prototyping in respective industries

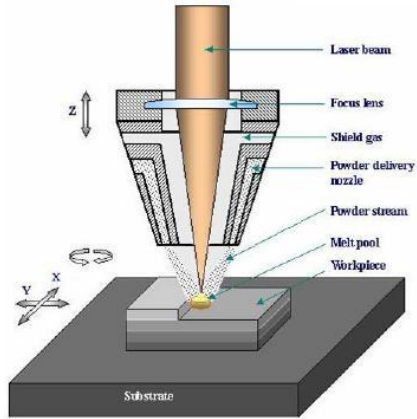




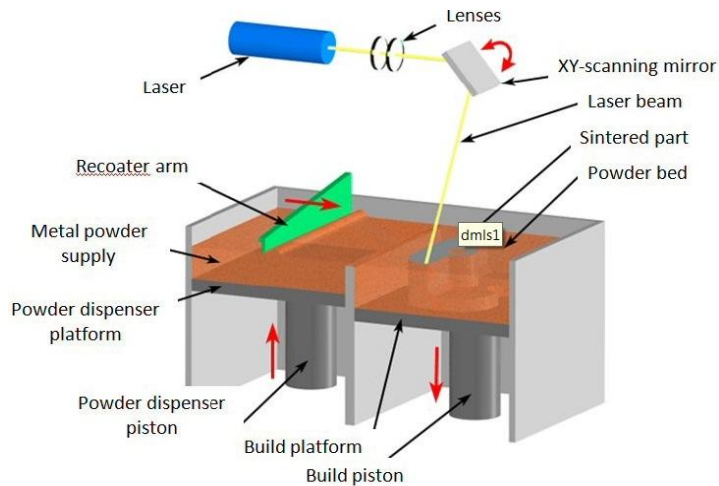
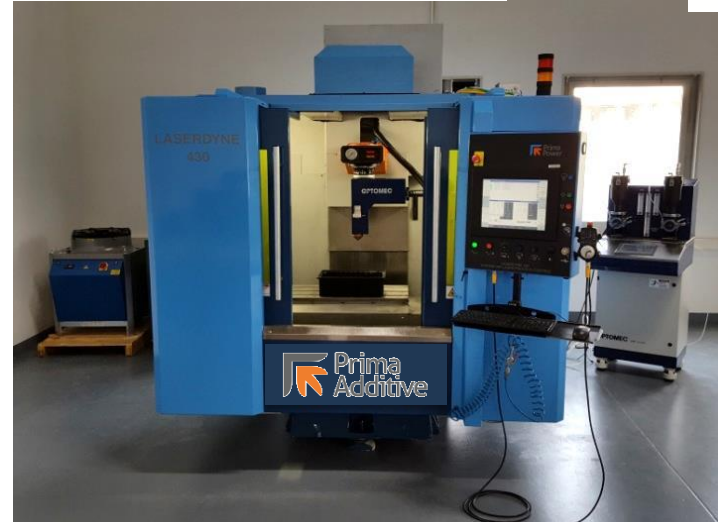
New Additive Manufacturing division



Metal Additive manufacturing main technologies



Direct energy deposition - LENS



Powder bed fusion





Financial statements as at Dec. 31, 2017:

Balance sheet

Values in Euro	31/12/2017	31/12/2016
Property, plant and equipment	35.627.751	35.281.369
Intangible assets	149.603.479	155.713.399
Investments accounted for using the equity method	-	1.009.341
Other investments	355.004	139.051
Non current financial assets	9.578	9.578
Deferred tax assets	11.340.432	11.555.324
NON CURRENT ASSETS	196.936.244	203.708.062
Inventories	113.035.328	98.561.165
Trade receivables	113.649.234	88.376.748
Other receivables	8.018.722	6.425.617
Current tax receivables	9.380.123	5.053.888
Derivatives	57.536	-
Financial assets	791.509	791.509
Cash and cash equivalents	70.520.659	62.679.901
CURRENT ASSETS	315.453.111	261.888.828
Assets held for sale	1.111.136	318.812
TOTAL ASSETS	513.500.491	465.915.702

Values in Euro	30/09/2017	31/12/2016
Capital stock	26.208.185	26.208.185
Legal reserve	4.652.958	4.565.082
Other reserves	69.311.022	70.738.752
Currency translation reserve	1.360.295	6.848.598
Retained earnings	27.620.077	19.276.926
Net result	18.515.392	10.102.304
<i>Stockholders' equity of the Group</i>	<i>147.667.929</i>	<i>137.739.847</i>
<i>Minority interest</i>	<i>1.285.839</i>	<i>1.212.065</i>
STOCKHOLDERS' EQUITY	148.953.768	138.951.912
Interest-bearing loans and borrowings	98.396.076	111.675.762
Employee benefit liabilities	7.693.863	8.100.353
Deferred tax liabilities	5.997.482	8.340.653
Provisions	172.119	162.684
Derivatives	80.445	220.866
NON CURRENT LIABILITIES	112.339.985	128.500.318
Trade payables	110.465.363	88.448.383
Advance payments	43.620.216	26.029.170
Other payables	24.950.838	22.076.067
Interest-bearing loans and borrowings	42.524.711	34.894.444
Current tax payables	6.071.926	7.695.264
Provisions	24.573.684	18.424.370
Derivatives	-	895.774
CURRENT LIABILITIES	252.206.738	198.463.472
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	513.500.491	465.915.702



Financial statements as at Dec. 31, 2017: P & L

Values in Euro	31/12/2017	31/12/2016
Net revenues	449.503.244	393.885.774
Cost of goods sold	(340.096.252)	(297.902.746)
GROSS MARGIN	109.406.992	95.983.028
Research and Development costs	(12.563.644)	(10.932.964)
Sales and marketing expenses	(29.630.518)	(27.903.449)
General and administrative expenses	(24.034.482)	(21.737.648)
OPERATING GROSS MARGIN (EBITDA)	43.178.348	35.408.967
<i>of which: non recurring items</i>	<i>(1.885.086)</i>	<i>(725.313)</i>
Impairment - Write-off	(23.299)	(1.027.682)
Depreciation	(16.858.918)	(15.853.684)
OPERATING PROFIT (EBIT)	26.296.131	18.527.601
<i>of which: non recurring items</i>	<i>(1.908.385)</i>	<i>(1.752.995)</i>
Financial income	2.760.000	626.831
Financial expenses	(6.786.647)	(8.507.194)
Net exchange differences	(2.973.478)	(349.409)
Net result of investments accounted for using the equity method	-	1.057.207
Net result of other investments (*)	2.555.677	(7.729)
RESULT BEFORE TAXES (EBT)	21.851.683	11.347.307
<i>of which: non recurring items</i>	<i>521.291</i>	<i>(703.517)</i>
Taxes	(3.183.842)	(1.187.184)
NET RESULT	18.667.841	10.160.123
- Attributable to Group shareholders	18.515.392	10.102.304
- Attributable to minority shareholders	152.449	57.819
RESULT PER SHARE - BASIC (in euro)	1,77	0,96
RESULT PER SHARE - DILUTED (in euro)	1,77	0,96

(*) It must be outlined that this figure includes a financial gain deriving from EPS SA sale of share for 2.560 thousand euro. In the Balance Sheet the EPS SA investment is classified in the Assets held for sale.



Highlights from financial statements as at Mar. 31, 2018

Values in €/thousand	ACT 31.03.18	ACT 31.03.17	Change	Change %
Order Intake	120.510	112.242	8.268	7,4%
Backlog	192.488	164.150	28.338	17,3%
Revenues	95.534	89.483	6.051	6,8%
EBITDA	6.329	6.278	51	0,8%
EBITDA%	6,6%	7,0%	(0,4%)	-
EBIT	2.243	1.979	264	13,3%
EBIT%	2,3%	2,2%	0,1%	-
Net Result	4.659	770	3.889	505,3%
FCF	(20.910)	(16.426)	(4.484)	27,3%
Net Financial Position	(84.659)	(101.122)	16.463	16,3%
Headcount	1.812	1.702	110	6,5%

(% calculated over the revenues)

(headcount in units)

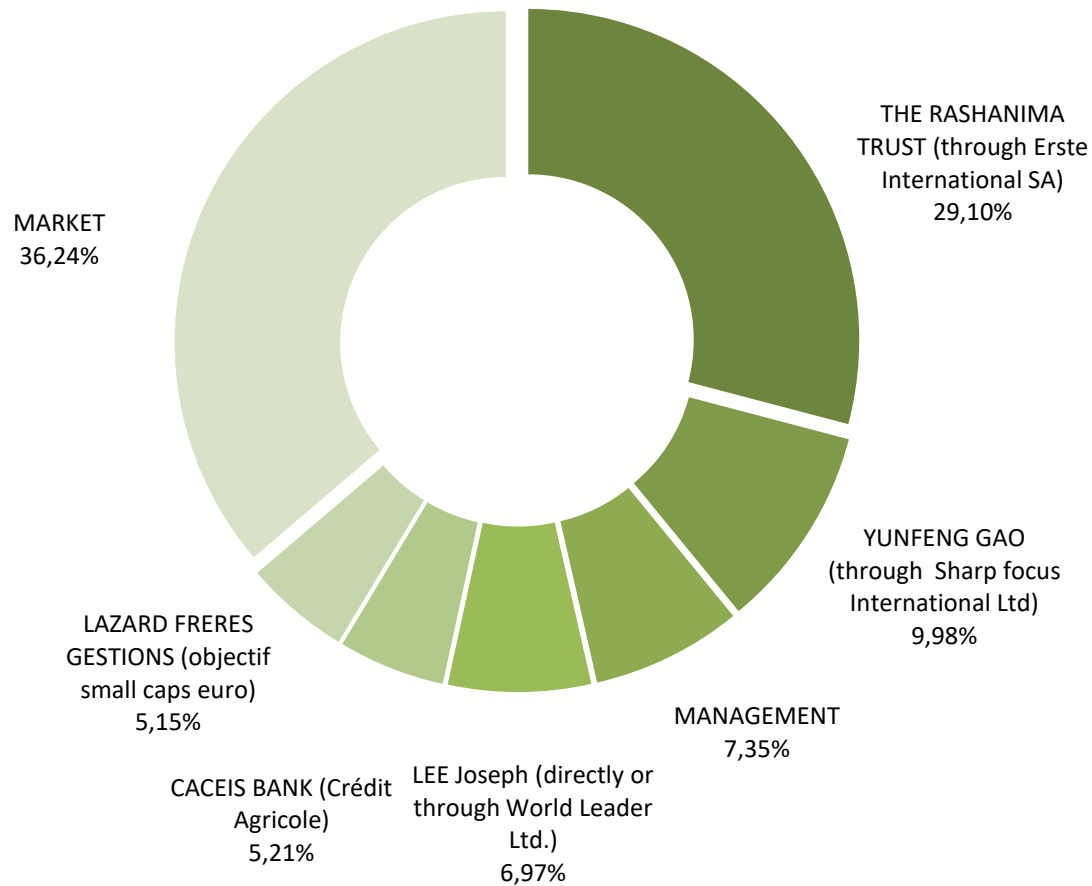
Values in €/thousand	ACT 31.03.18	ACT 31.03.17	Change	Change %
Revenues constant FX	99.628	89.483	10.145	11,3%
EBITDA adj	6.912	6.278	634	10,1%
EBITDA adj %	7,2%	7,0%	0,2%	-
EBIT adj	3.135	1.979	1.156	58,4%
EBIT adj %	3,3%	2,2%	1,1%	-

(% calculated over the revenues)

- Revenues up +11,3% at constant exchange rates
- Prima Electro recovery in revenues and margins
- EBIT (adjusted) improvement (+58%)
- Sustained Net Profit growth thanks to EPS gain but negatively affected by refinancing costs



Shareholding structure



Source: latest dividend payment (May 2017) + official communications to Consob



THANK YOU !



OLYMPIC TORCHES MADE BY CUSTOMERS WITH PRIMA LASER MACHINES