



**Together We Grow**

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***2015 ITALIAN STOCK MARKET OPPORTUNITIES CONFERENCE***

 **BANCA IMI**

*Italian Mid&Small Caps*

Paris, May 20<sup>th</sup>, 2015



# Our Group: business sectors



## Machinery Division

Laser and sheet metal fabrication machinery:

- 2D and 3D laser cutting, welding and drilling,
- punching,
- combined punching/laser or punching/shearing,
- bending,
- automation and FMS.

Turnover 2014  
Euro 312 million

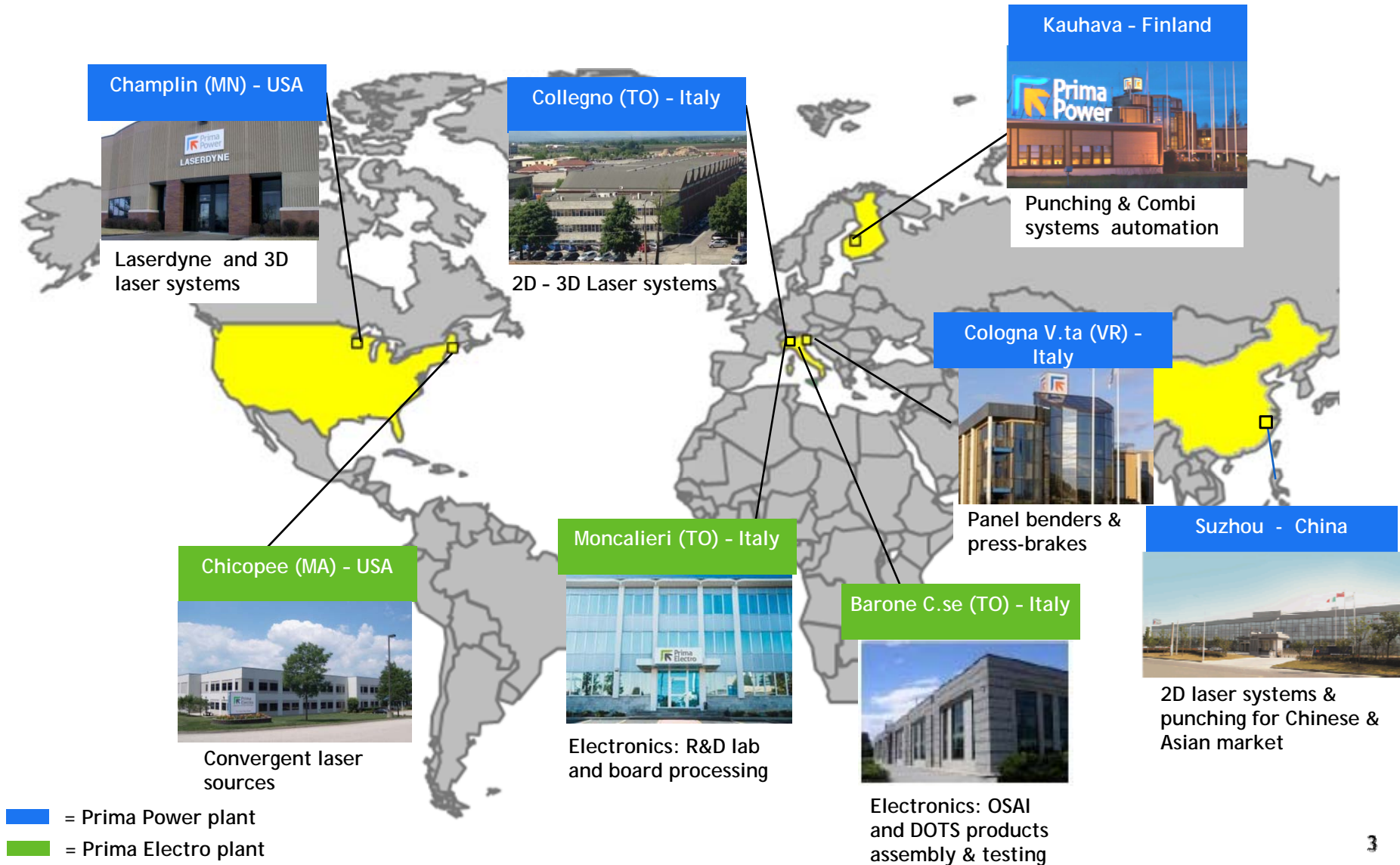
## Electronics & laser technologies

Industrial electronics (power and control electronics, numerical controls).  
High power CO<sub>2</sub> and Nd:YAG laser sources for industrial applications.

Turnover 2014  
Euro 53 million



# Industrial footprint





# Sales & service footprint: EMEA

## RECENT EVENTS

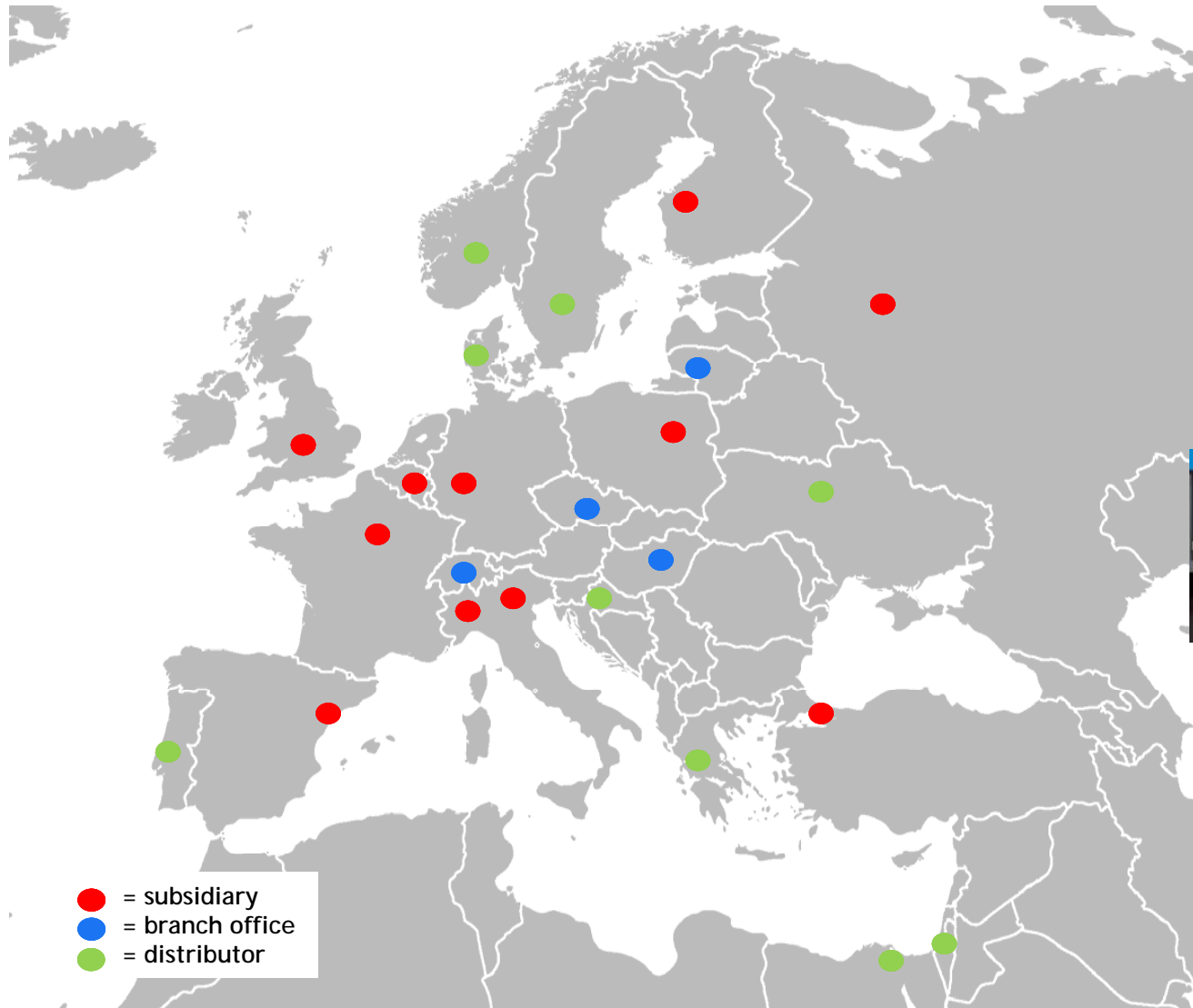
Tech Days - Kauhava (Finland)  
March 2014



What's Next - Collegno (Italy)  
October 2014

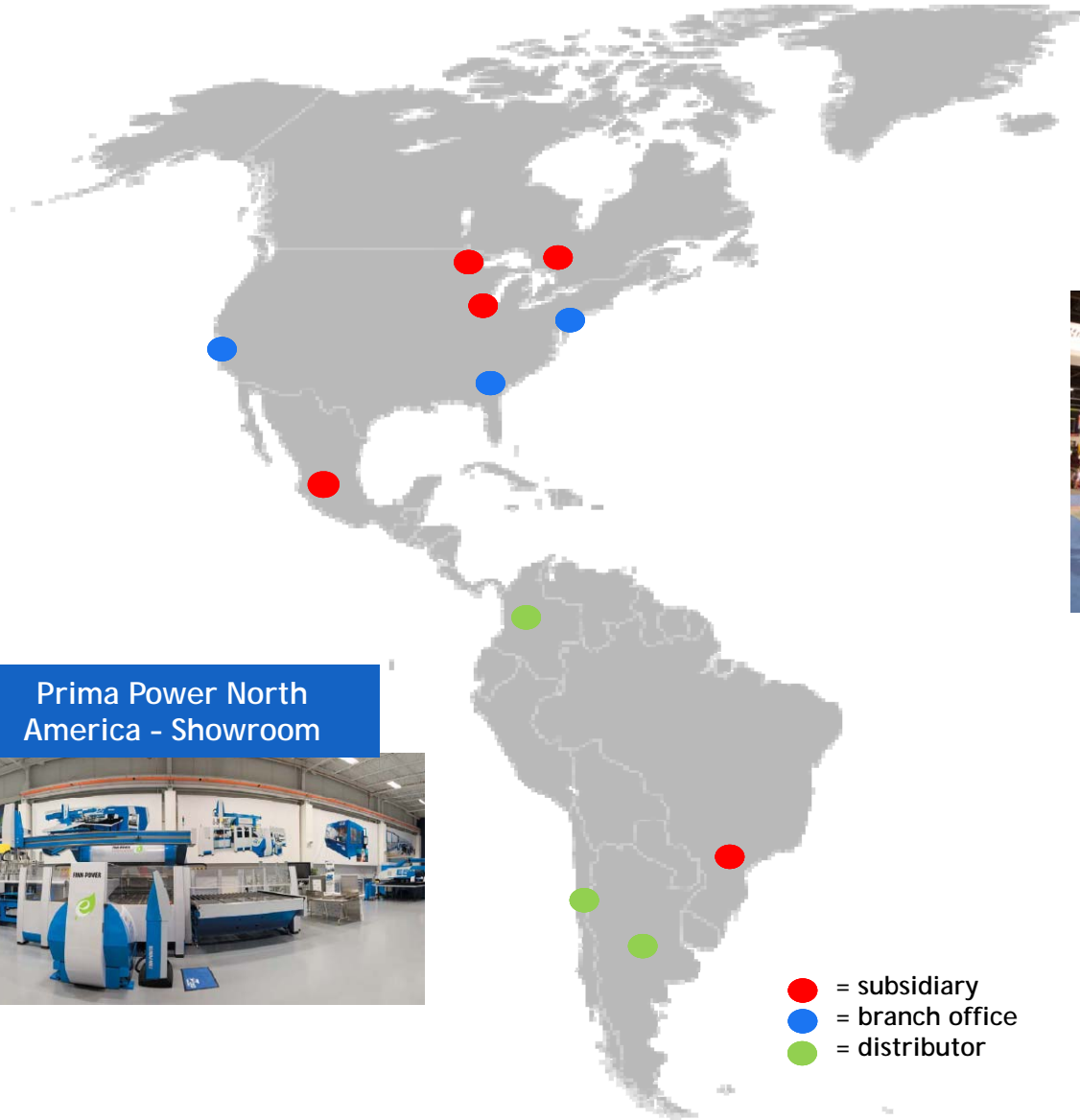


Euroblech - Hannover (Germany)  
November 2014





# Sales & service footprint: AMERICAS



## RECENT EVENTS

Fabtech - Atlanta (USA)  
November 2014



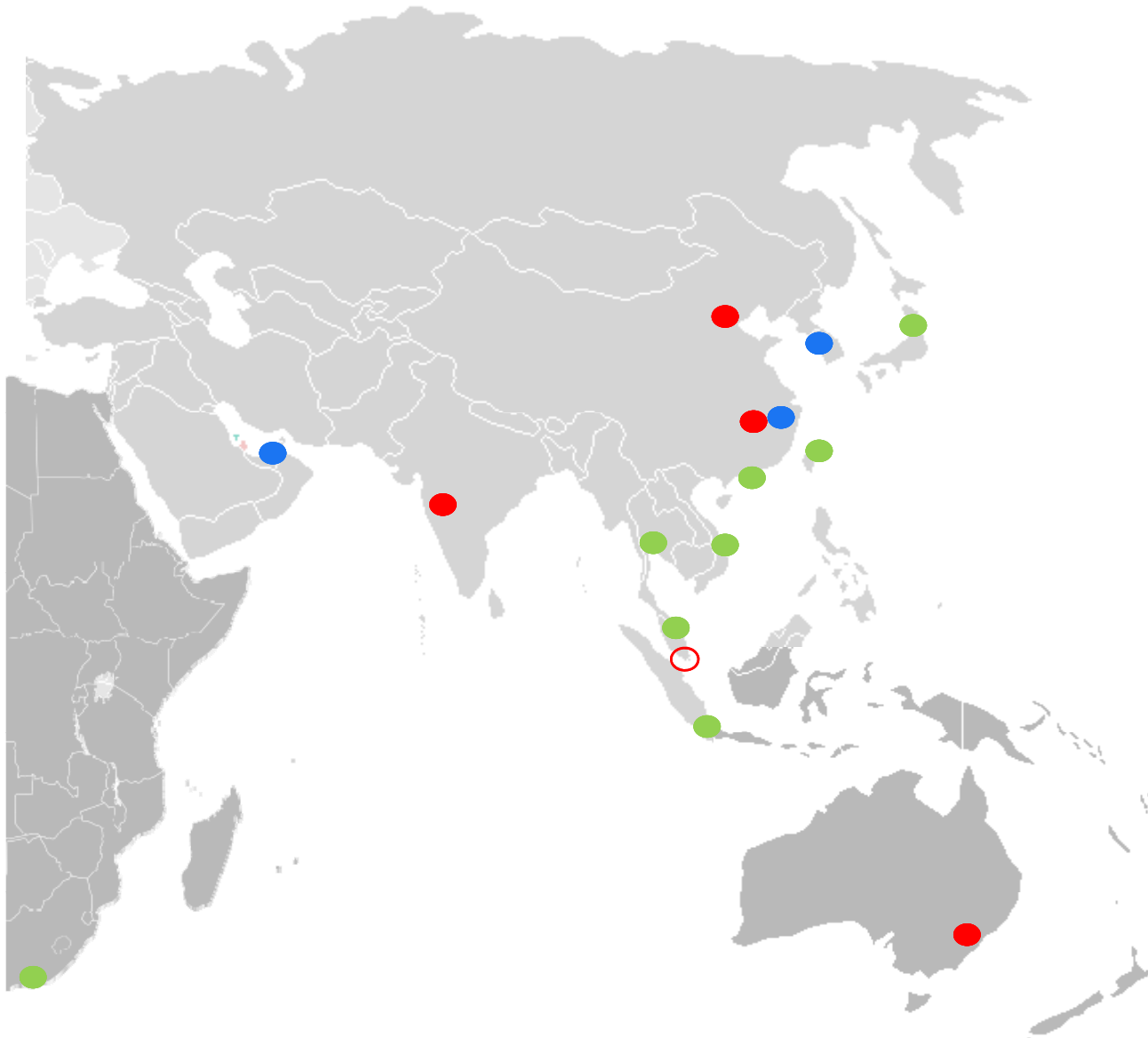
Prima Power North  
America - Showroom



- = subsidiary
- = branch office
- = distributor

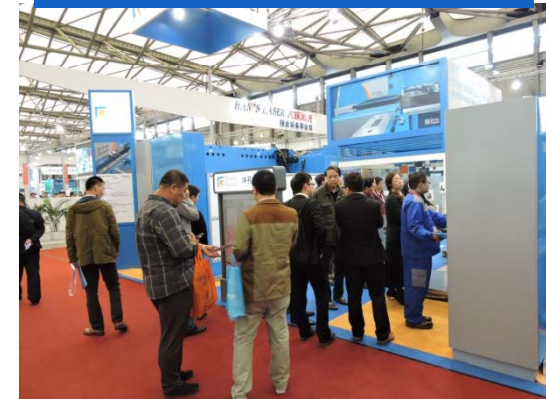


# Sales & service footprint: APAC



## RECENT EVENTS

MWCS - Shanghai (China)  
November 2014



- = subsidiary
- = branch office
- = distributor
- = in progress

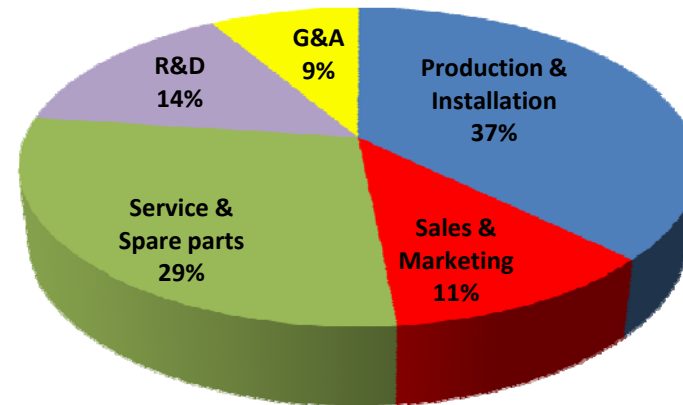


# Our People

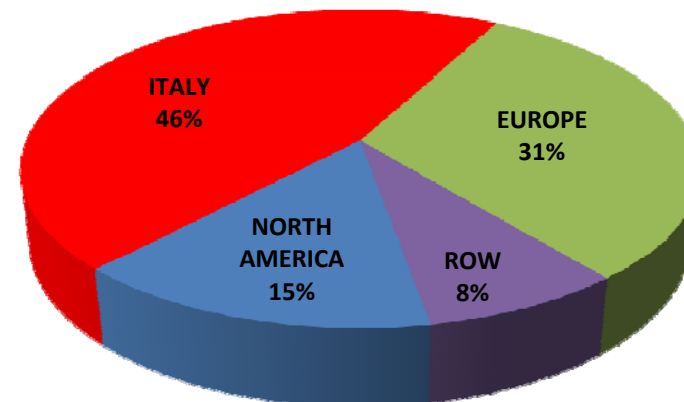
1,579 Employees worldwide



Breakdown by function at 31/12/2014

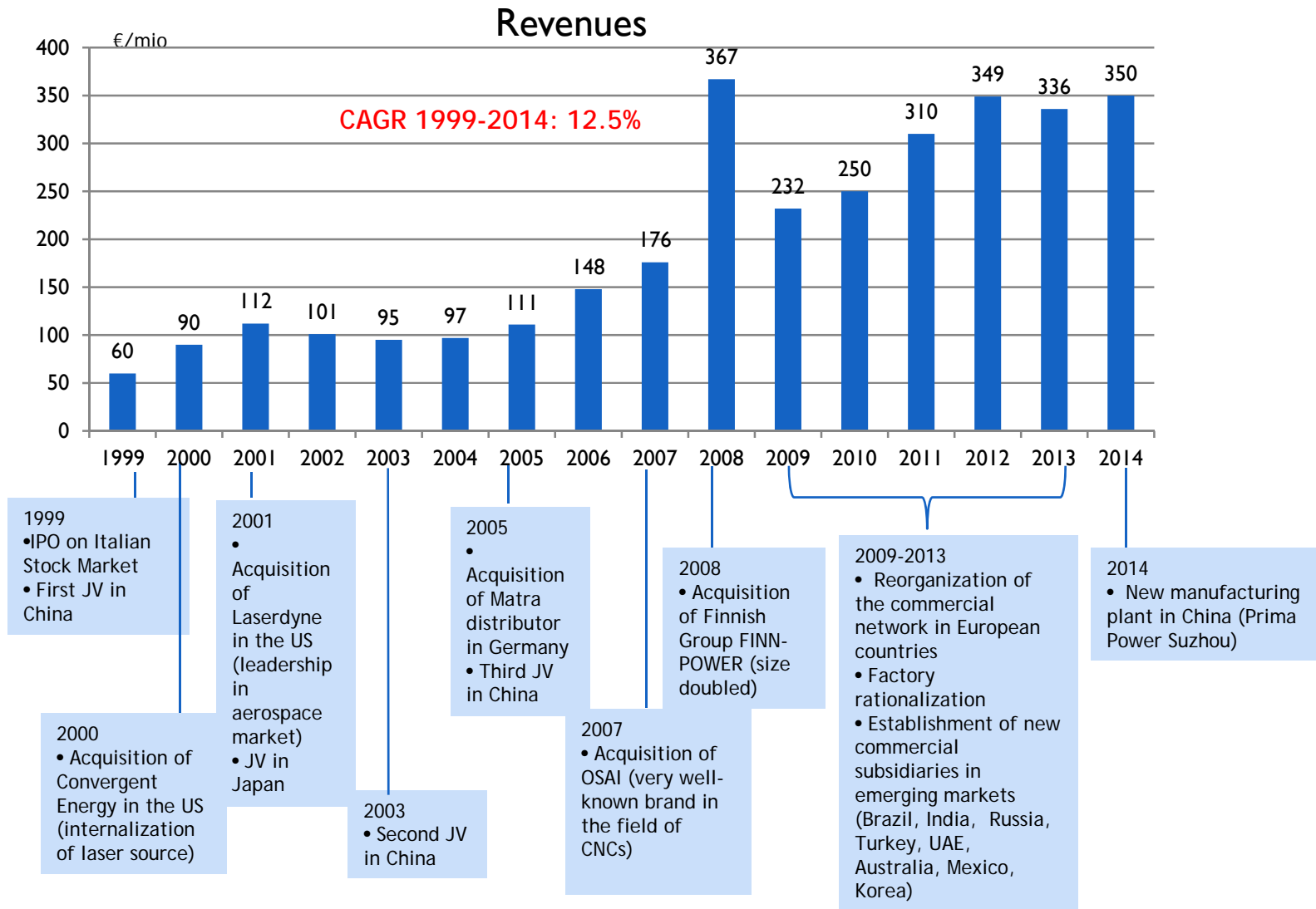


Breakdown by geographic area at 31/12/2014





# A history of growth



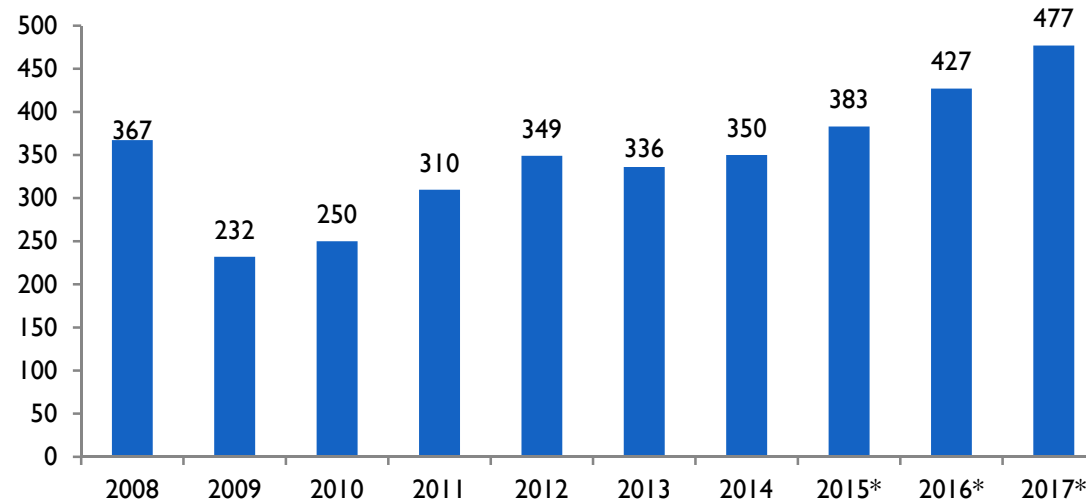




# Economic trends

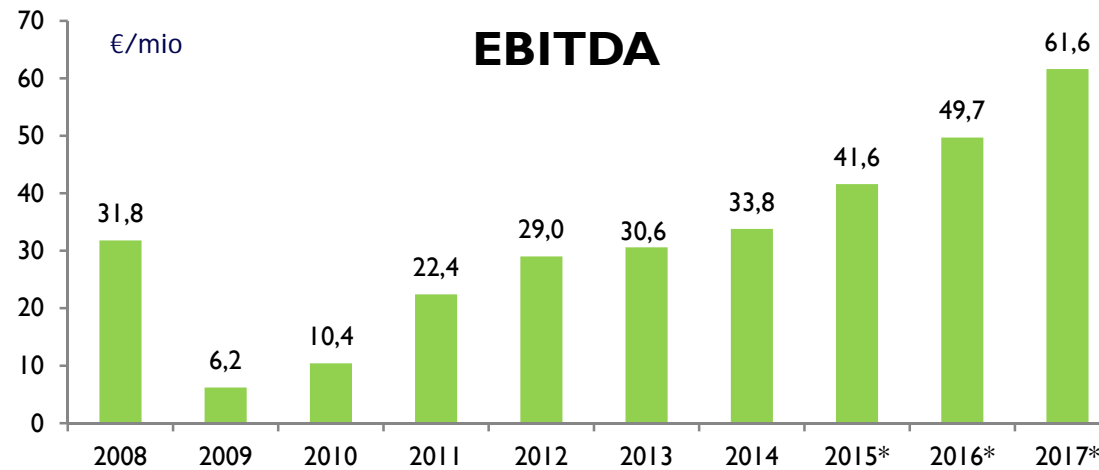
€/mio

## Revenues



€/mio

## EBITDA



\* = according to analysts' consensus :



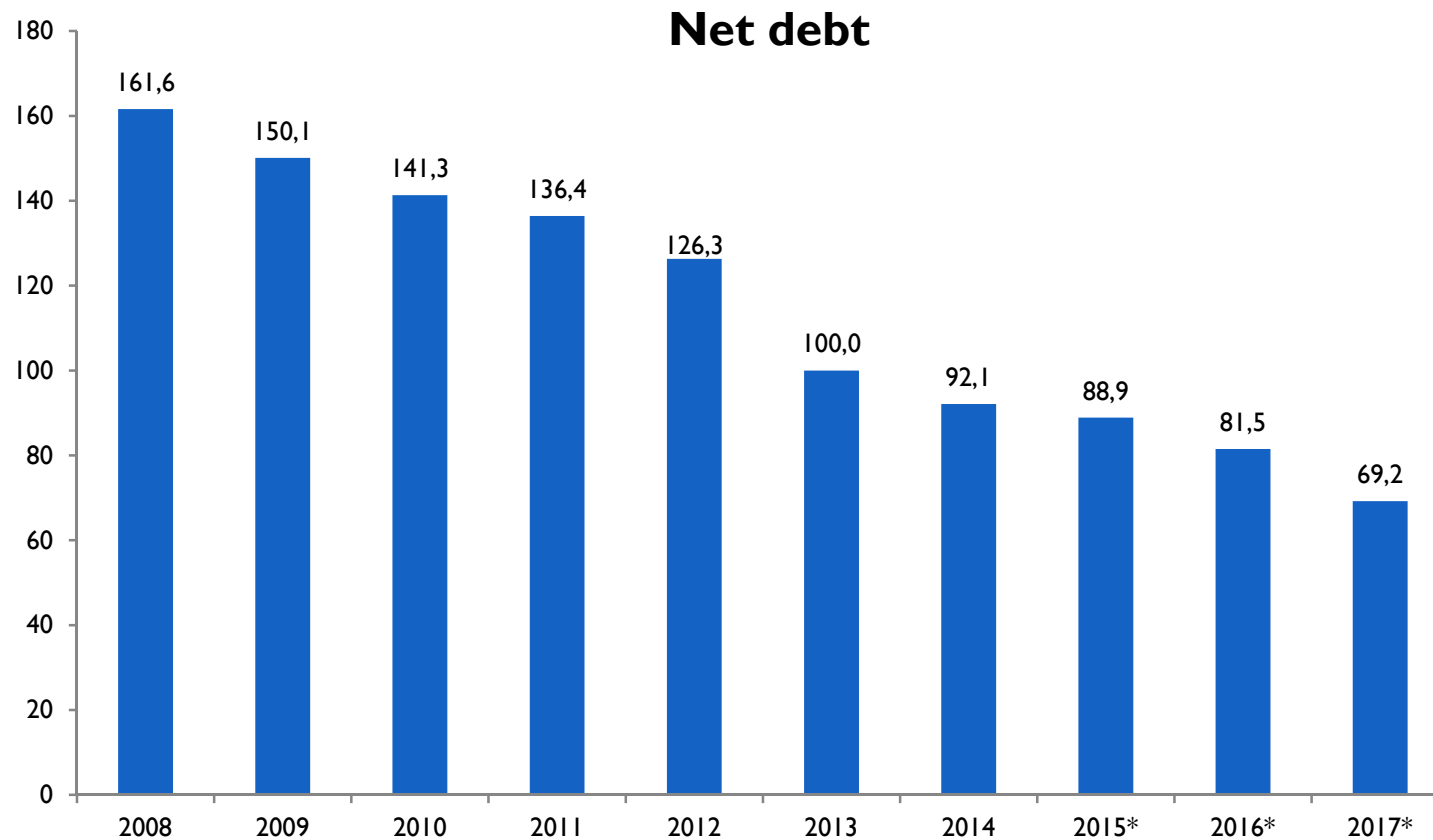
BANCA IMI



Banca



# Net financial position trend



\* = according to analysts' consensus :



BANCA IMI



Banca Akros  
Gruppo Bipienna



UBI Banca



# New financing & reimbursement planning

FINPOLAR		4-feb-15	4-feb-16	Dec - 15	2016	2017	2018	2019	2020	2021	Feb - 22	TOTAL		
TRANCHE A	Amortizing	-4,4												
TRANCHE B	Bullet		-64,1											
											40	40,0	Bond (bullet)	
				3,5	6,6	6,6	6,6	6,6	6,6	3,5		40,0	It CD Amortizing	
TRANCHE D	Overdraft		-20,0											
								20				20,0	It CD Revolving	
TOTAL		-4,4	-84,1	3,5	6,6	6,6	6,6	26,6	6,6	3,5	40,0	100,0		

Paid cash

Increase in sources 15.9 M€

As of today fully repaid  
by means of the new financial sources



# Reference markets

## AUTOMOTIVE



## YELLOW GOODS & TRAILERS



## AEROSPACE & ENERGY



## WHITE GOODS & HVAC



## ELECTRICAL CABINETS/ TELLING & VENDING MACHINES

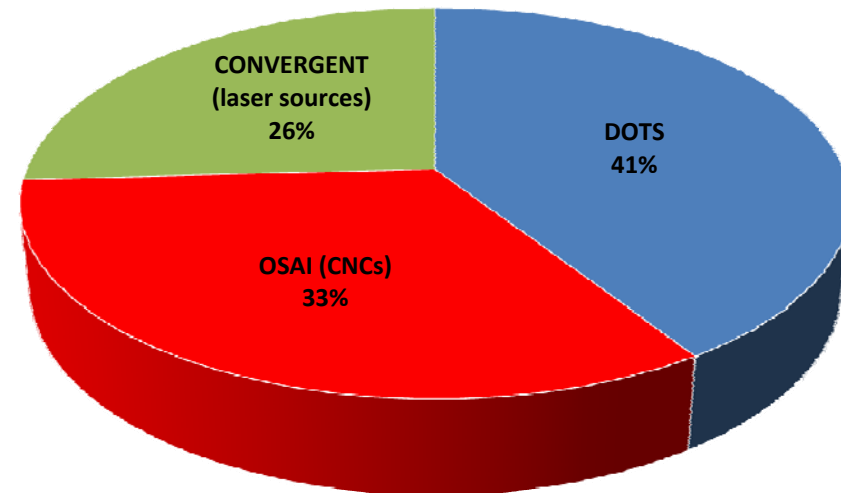
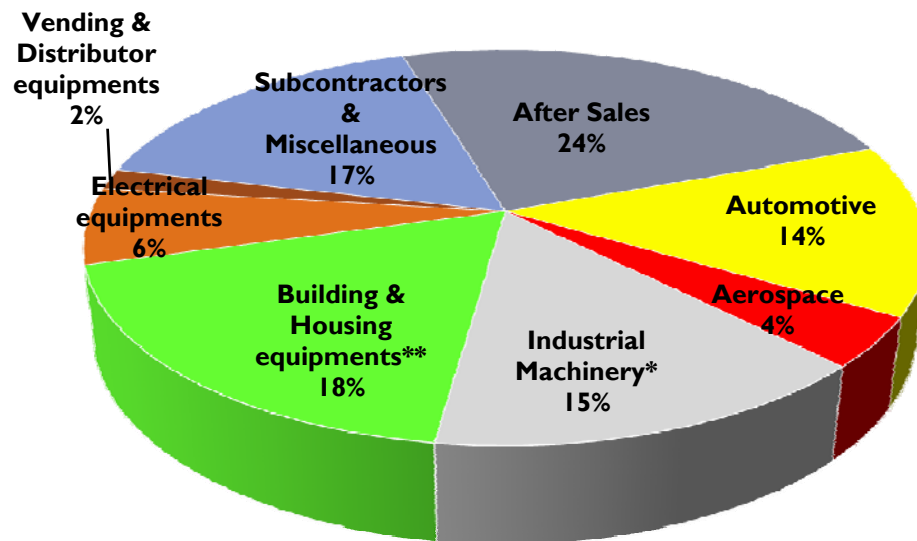




# Reference markets



Revenues at 31/12/14



\*= including agricultural, construction & industrial machinery

\*\* = including HVAC, elevators, furniture & home appliances



# Our Key Success Factors

A comprehensive product range



Being global

Internal development and manufacturing of technological components

High commitment to innovation (R&D 5.5% of revenues)



Getting closer

A global sales network

Dedicated after sales services

Brand awareness



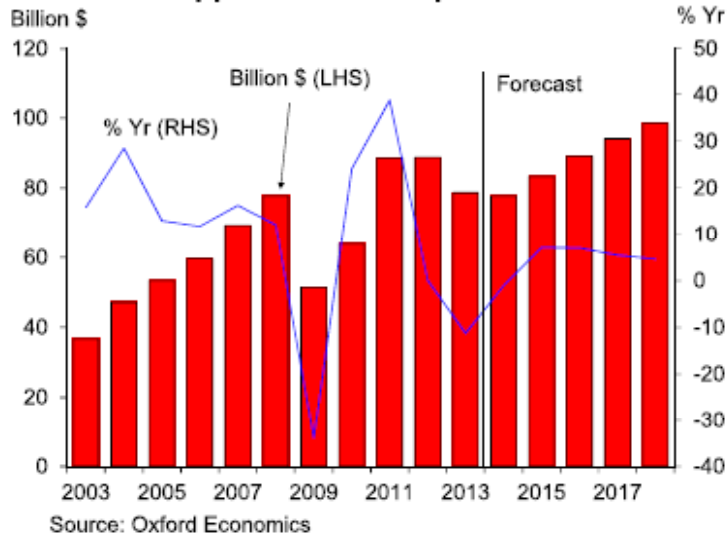
Going green

Social & environmental responsibility




# Market trends: machine tool market - by Oxford Economics (Autumn 2014)

**World: MT Apparent consumption**

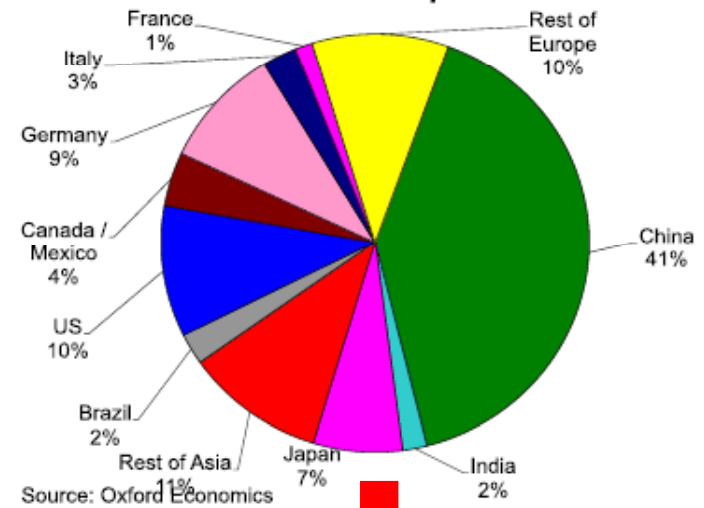


**Machine Tool Consumption - % change  
(local currency)**

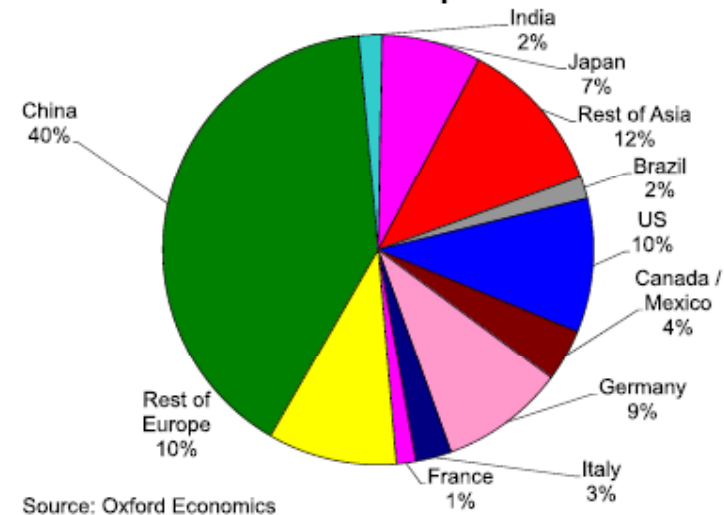
	2013	2014	2015	2016	2017	2018
Europe	4.2	3.9	3.4	5.9	5.8	4.6
Americas	-1.9	-1.1	4.8	5.2	3.8	2.6
Asia	-17.0	-2.0	9.0	8.2	6.1	5.4
<b>WORLD</b>	<b>-10.6</b>	<b>-0.6</b>	<b>7.3</b>	<b>7.3</b>	<b>5.8</b>	<b>4.9</b>
 PRIMA INDUSTRIE	<b>-3.9</b>	<b>4.4</b>				

World average growth rate 2015-2018: approx. 6.3%

**World: Machine tool consumption in 2013**

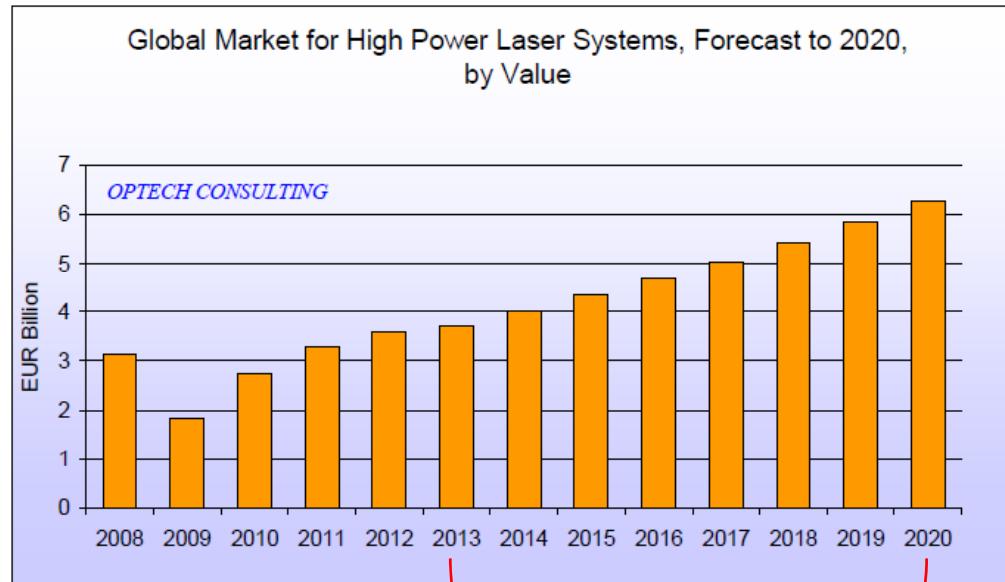


**World: Machine tool consumption in 2018**





# Market trends: laser systems market - by Optech Consulting (January 2014)

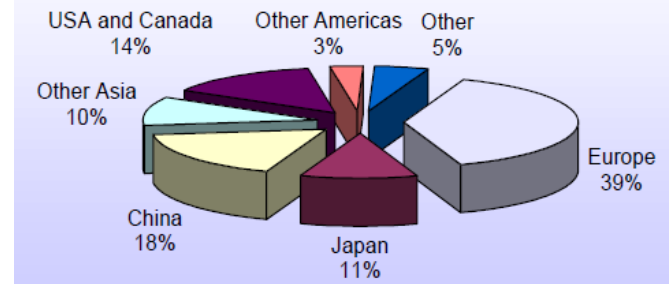


CAGR 2013 -2020: 7.8%  
(nominal growth rate)

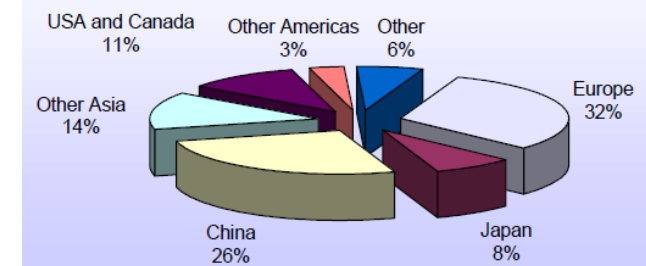
## Global market and forecast for high power laser systems by application (by value)

By Value	Global Market (EUR Million)			CAGR (%)	
	2013	2016	2020	2013 - 2016	2016 - 2020
Cutting	2408	3014	3965	7.8	7.1
Welding and Brazing	1249	1605	2231	8.7	8.6
Surface Treatment and Other	50	63	86	8.3	8.1
Total	3707	4682	6282	8.1	7.6

Global Market for High Power Laser Materials Processing Systems, 2013, by Geography



Global Market for High Power Laser Materials Processing Systems, 2020, by Geography







## Market trends: Prima outlook - assumptions

### INERTIAL GROWTH LEAD BY THE MARKET:

- Assumption of the external researches' expectations for the coming years, which indicate a growth by:
  - 6.3% average for machine tool world market (2015-2018)
  - 7.8% cagr (2013-2020) for high power laser systems

### NEW GROWTH ENGINES:

- Additional revenues & profitability coming from the new manufacturing unit in China (Prima Power Suzhou)
- Exploitation of the recently established subsidiaries in high growth markets (Brazil, Turkey, Russia, Mexico, India, Australia)
- Establishment of a new commercial subsidiary in South East Asia
- Significant pipeline of new products



# Analysts' consensus

	2015				2016				2017			
	B. IMI	B. Akros	UBI banca	consensus	B. IMI	B. Akros	UBI banca	consensus	B. IMI	B. Akros	UBI banca	consensus
REVENUES	385,0	380,0	380,9	382,0	435,0	420,0	425,5	426,8	478,6	462,0	475,5	472,0
EBITDA	42,1	39,1	41,6	40,9	50,2	47,0	50,9	49,4	58,1	56,9	65,0	60,0
NET RESULT	15,2	13,8	14,3	14,4	19,7	18,5	20,6	19,6	23,5	23,7	30,2	25,8
NFP	90,4	89,0	86,4	88,6	82,7	80,0	79,8	80,8	71,1	64,0	67,3	67,5

*CAGR 2015-2017 consensus: 11.2%*





# Prima Group in China - history

**1997 - today**  
**PRIMA POWER (CHINA) - Beijing**

- 3D LASERS FOR AUTOMOTIVE & AEROSPACE



**2003 - today (5%)**  
**SHANGHAI UNITY PRIMA - Shanghai**

- MID/LOW RANGE 2D LASERS
- LASER GENERATORS' SUPPLY



**2008**  
**LEEPORT - HK/Shanghai**

- DISTRIBUTION OF FINN-POWERSHEET METAL MACHINES SINCE MID-90s

**2011 - today**  
**PRIMA ELECTRO (CHINA) - Guangzhou**

- OSAI PRODUCTS (CNC)

**2013**  
**YAWEI - Jangsu**

- KNOW-HOW LICENSE AGREEMENT FOR PLATINO
- COMPONENTS SUPPLY AGREEMENTS



**1999 - 2010**  
**SHENYANG PRIMA LASER MACHINE - Shenyang**

- 2D LASERS PRODUCTION & SALES FROM KITS SENT BY PI



**2005 - 2010**  
**OVL CONVERGENT- Wuhan**

- CO<sub>2</sub> LASER GENERATORS



**2013 - start-up 2014**  
**PRIMA POWER SUZHOU - Wujiang**

- MID MARKET (2D LASERS & SHEET METAL PROCESSING MACHINES)



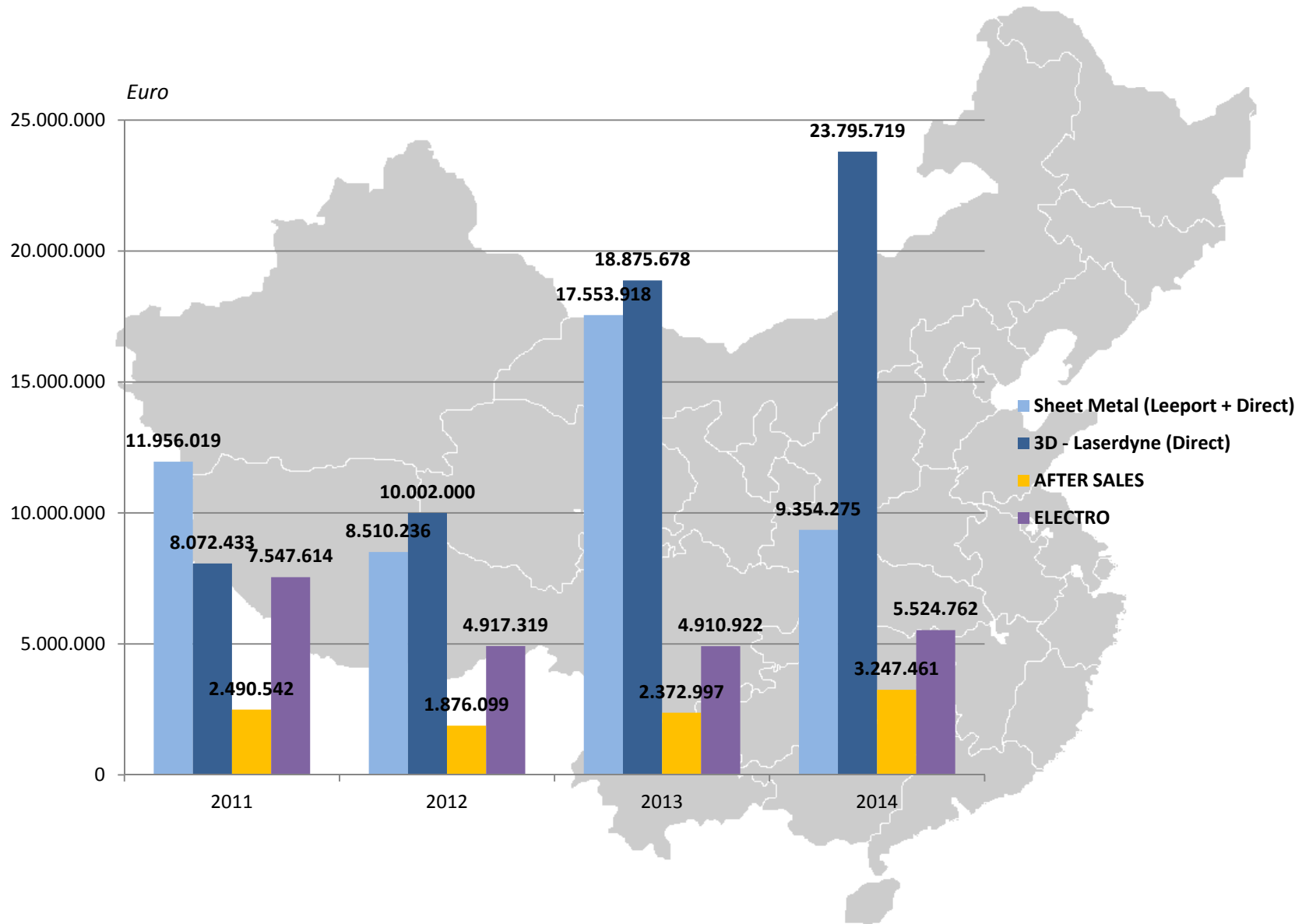
**26 March 2015**  
**PRIMA POWER SUZHOU**

- OFFICIAL OPENING CEREMONY





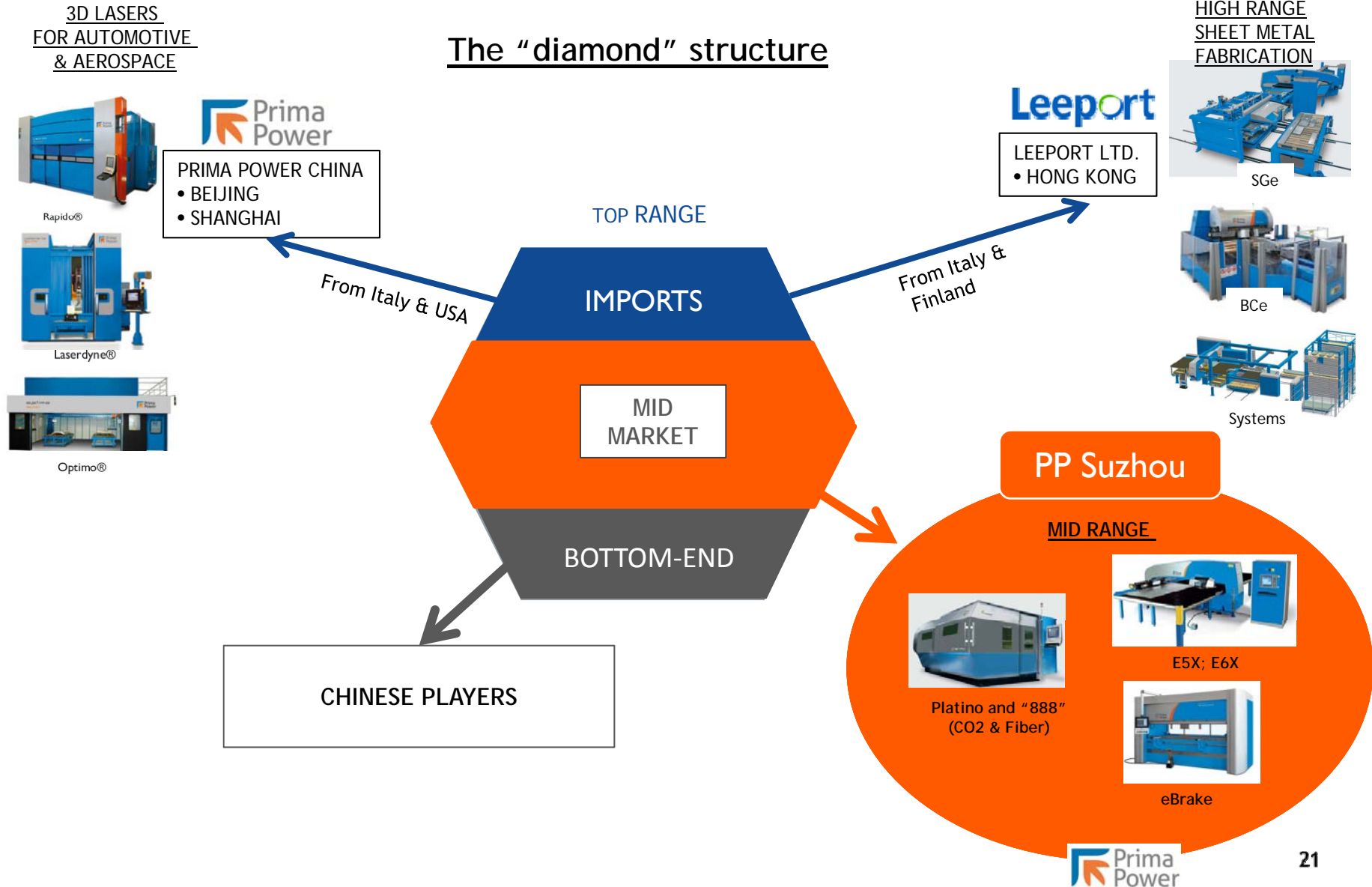
# Prima Group Revenues in China





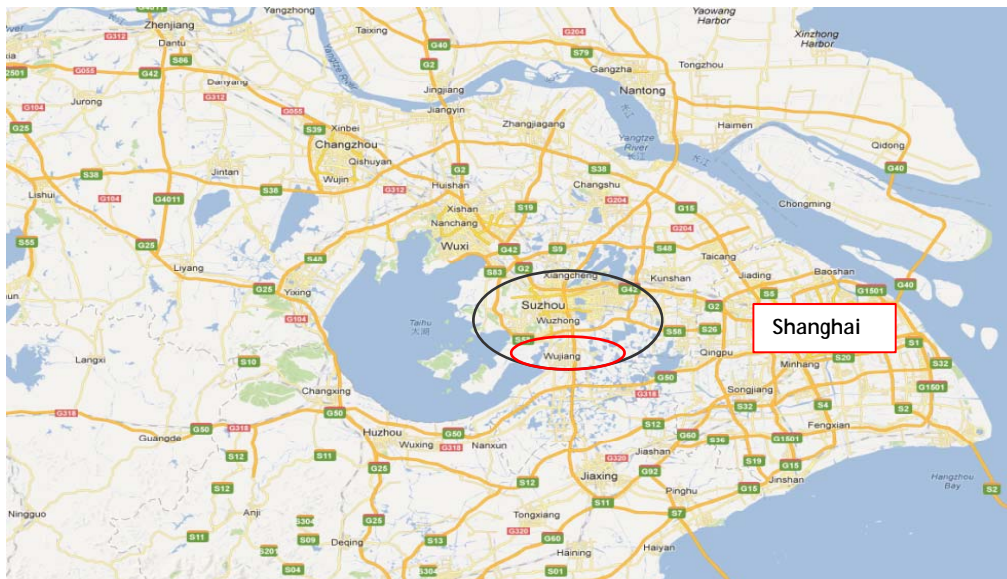
# Structure of Chinese machine tool market

## The "diamond" structure





# Prima Power Suzhou Manufacturing Unit

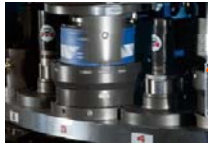




# Prima Power Suzhou Business Model

## From Finland:

Turret



CNC



## From Italy:

Head



CNC



## From USA:

Laser generator



- Import of technological components from Europe & the US
- Local assembly using Chinese workforce and local suppliers of non-technological components
- Cost reduction of 20%
- Sale to final customers through newly set up commercial network

Sales to China



2D Laser



Punching



eBrake

*Bounded area*

Sales to other Asian countries



# Financial statements as at Dec. 31, 2014

## BALANCE SHEET

(figures in Euro thousand)	31/12/2014	31/12/2013
Tangible assets	26,912	24,201
Intangible assets	155,552	151,572
Other non current assets	10,943	8,070
Non current assets held for sale	284	1,484
<b>NON CURRENT ASSETS</b>	<b>193,691</b>	<b>185,327</b>
Inventory	77,504	66,214
Trade receivables (net of down payments)	68,730	65,253
Trade payables	(77,594)	(68,118)
Other current assets	12,895	10,214
Other liabilities	(53,747)	(45,136)
Employee's severance indemnity	(8,682)	(7,732)
<b>NET WORKING CAPITAL</b>	<b>19,106</b>	<b>20,695</b>
<b>NET DEBT</b>	<b>92,089</b>	<b>99,961</b>
<b>NET EQUITY</b>	<b>120,708</b>	<b>106,061</b>





# Financial statements as at Dec. 31, 2014

## PROFIT & LOSS

(figures in Euro thousand)	31/12/2014	31/12/2013
SALES	350,464	335,841
VALUE OF PRODUCTION	372,410	341,873
EBITDA	33,780	30,567
% on sales	9.6%	9.1%
EBIT	22,299	18,681
% on sales	6.4%	5.6%
EBT	14,842	8,842
% on sales	4.2%	2.6%
NET INCOME	9,389	5,358
% on sales	2.7%	1.6%



# Financial statements as at Mar. 31, 2015

## BALANCE SHEET

(figures in Euro thousand)	31/03/2015	31/12/2014
Tangible assets	28,037	26,912
Intangible assets	157,581	155,552
Other non current assets	12,164	10,943
Non current assets held for sale	284	284
<b>NON CURRENT ASSETS</b>	<b>198,066</b>	<b>193,691</b>
Inventory	100,619	77,504
Trade receivables (net of down payments)	64,331	68,730
Trade payables	(77,480)	(77,594)
Other current assets	14,113	12,895
Other liabilities	(53,515)	(53,747)
Employee's severance indemnity	(8,643)	(8,682)
<b>NET WORKING CAPITAL</b>	<b>39,425</b>	<b>19,106</b>
<b>NET DEBT</b>	<b>112,894</b>	<b>92,089</b>
<b>NET EQUITY</b>	<b>124,597</b>	<b>120,708</b>



# Financial statements as at Mar. 31, 2015

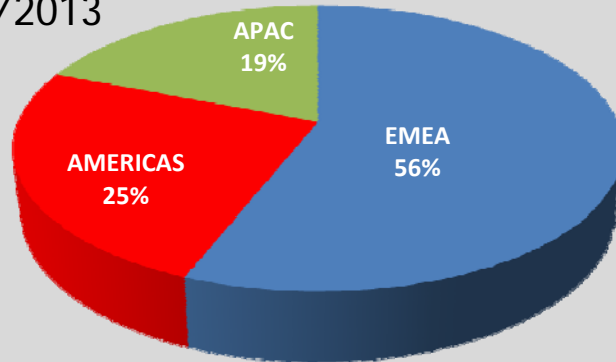
## PROFIT & LOSS

(figures in Euro thousand)	31/03/2015	31/03/2014
SALES	70,863	64,467
VALUE OF PRODUCTION	84,041	82,728
EBITDA	3,002	4,800
% on sales	4.2%	7.4%
EBIT	(97)	2,047
% on sales	(0.1)%	3.2%
EBT	(3,280)	346
% on sales	(4.6)%	0.5%
NET INCOME	(3,537)	(684)
% on sales	(5.0)%	(1.1)%



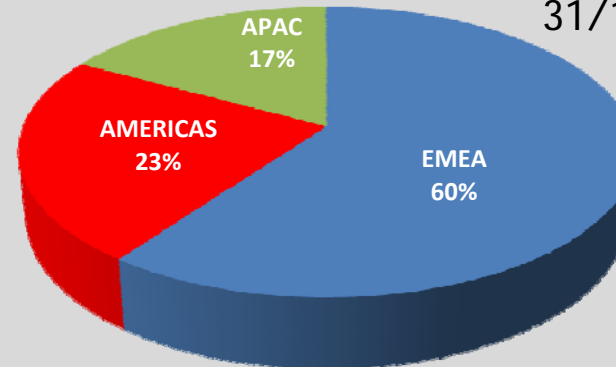
# Revenues geographic breakdown

31/12/2013



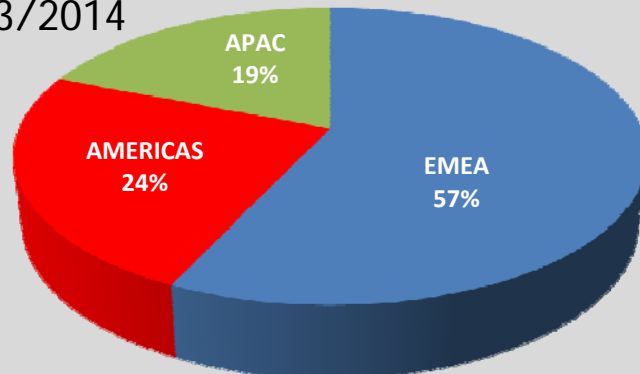
Total revenues: 335,841 k€

31/12/2014



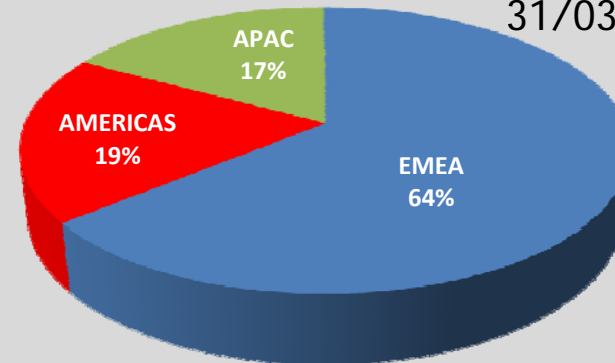
Total revenues: 350,464 k€

31/03/2014



Total revenues: 64,467 k€

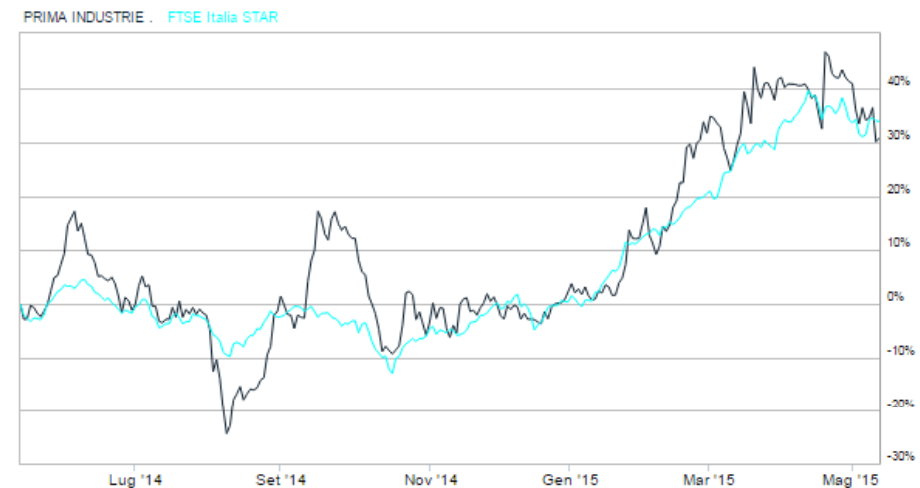
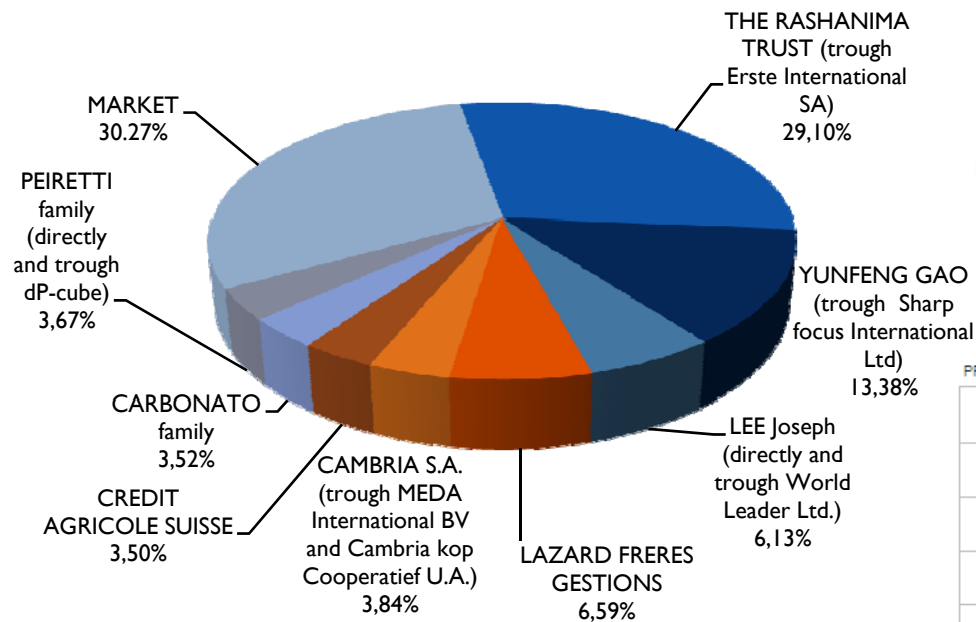
31/03/2015



Total revenues: 70,863 k€



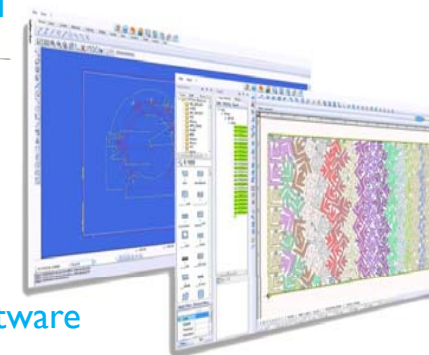
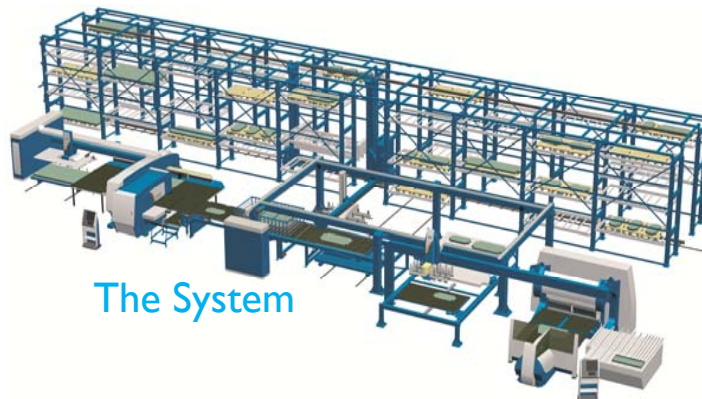
# Stock price trend & shareholders





# Prima Power: product range

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





# Prima Power - selected customers





# Prima Power - selected customers



STILL  
NISSAN FORKLIFT  
Linde  
Jurop  
TORO



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

## Miscellanea

Dedicated to People Flow  
KONE  
Schindler  
OTIS  
infrico  
BRP  
IDE Technologies It.d.  
SIGNATURE  
ABLOY  
kaizen signs  
ØGLÆND SYSTEM  
DLoco  
大連機車

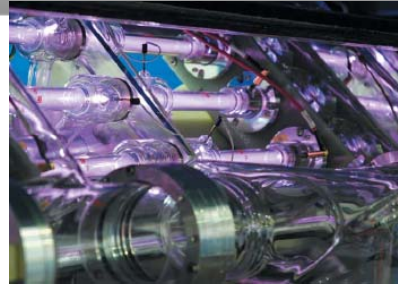
## Contract manufacturing

EATON  
IDEAS EN METAL  
MECANOVA  
lars höglund ab  
Nu-Way Industries, Inc.  
ILFOM GROUP  
METALLISET GROUP  
Hiosa Grupa Convarri  
LASERLAM  
SANMINA-SCI  
FOXCONN  
SIDERSTAMP S.A.S.  
VG Venezia Gnoato  
VERONALAMIERE Centro lavorazione lamiera  
SIDERURGICA LUCHESE s.r.l.  
dynamic  
cnc cnc plât  
ANACONDA





# Prima Electro: product range



**convergent**



**dots**



**osai**



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



# Prima Electro - selected customers

**Industrial**

Atlas Copco  
IREM  
CAMPETELLA  
ROBOTIC CENTER SH  
MYDATA  
NEGRI BOSSI

**Transport**

ALSTOM  
CRF  
CENTRO MICROELETTRICI  
FIAT  
ANSALDOBREDA  
ATM  
OCLAP  
PSA PEUGEOT CITROËN

**Motion control**

ABB  
AIR LIQUIDE  
MOTOR POWER GROUP  
LVD  
Nikon  
COMAU  
Agilent Technologies  
Prima Power  
PHASE  
MOTION CONTROL

**Wood / Plastic**

PAOLINO BACCETTI  
scmgroup  
fornitore certificato  
certified supplier  
BIESSE  
GEDA  
COSMEC  
CMS  
SAOM  
COMEC GROUP  
UNITEAM  
belotti  
COMAC  
MACCHINE  
PADE  
C.R. ONSRUD

**Energy**

LOMBARDINI  
A KOHLER COMPANY  
Eni  
Saipem  
electro  
power systems

**Consumer**

bticino  
easydom  
Comelit  
GROUP S.P.A.  
TECHNOGYM  
The Wellness Company

**Glass / Stone**

Bottero  
FORVET  
CMS Brembana  
glass technology  
mm  
Special Machine Tools  
DENVER  
COMANDULLI  
MARCHETTI  
CREATIVE POWER  
FOR STONE PROCESSING

**Defence & Aerospace**

SAAB  
SAAB



THANK YOU

**Technology**      **Productivity**  
**Performance**  
**User friendliness**  
**Specialization**      **Innovation**  
**Committment**  
**Efficiency**      **Passion**  
**Flexibility**      **Modularity**  
**Sustainability**