



**PRIMA  
INDUSTRIE**

London STAR Conference

 **Borsa Italiana**

London Stock Exchange - October 10<sup>th</sup>, 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**
- **~1,700 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



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LASER MACHINES



SHEET METAL  
MACHINERY

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Prima  
Power

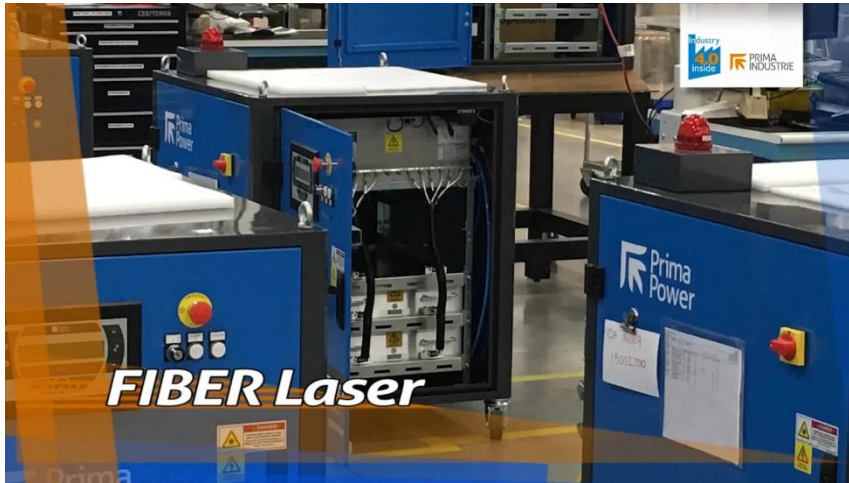




# Prima Group business sectors: Prima Electro



ELECTRONICS



LASER SOURCES

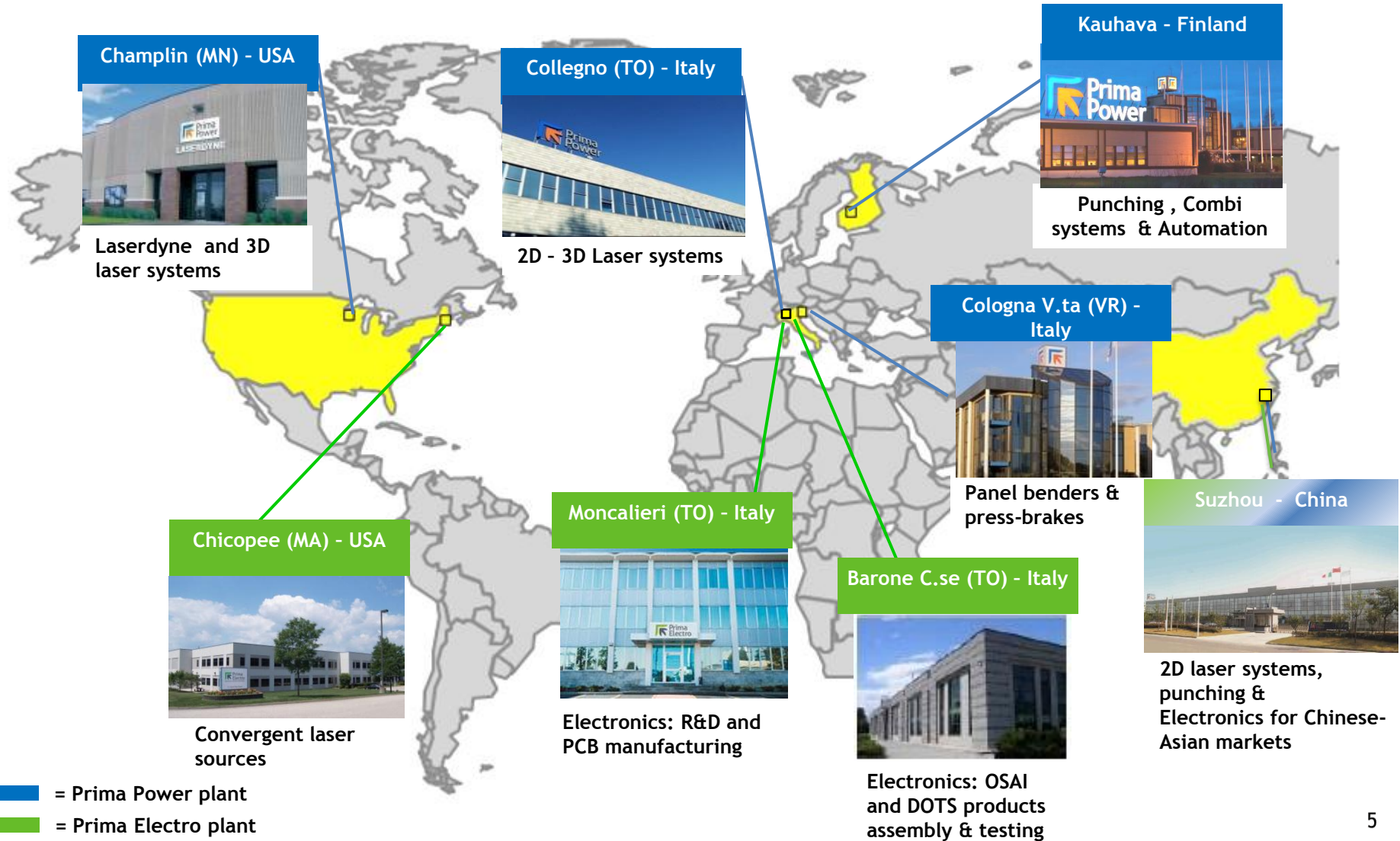
Prima  
Electro

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

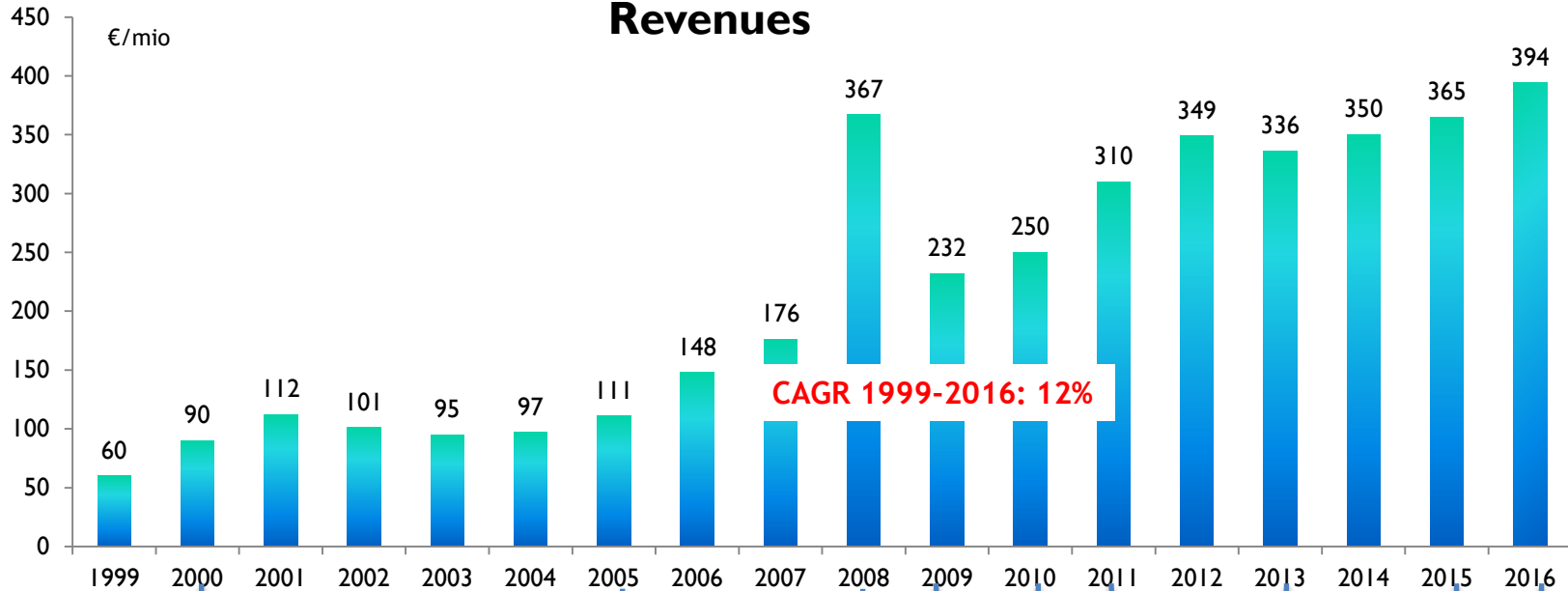
Distributors/agents





# 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

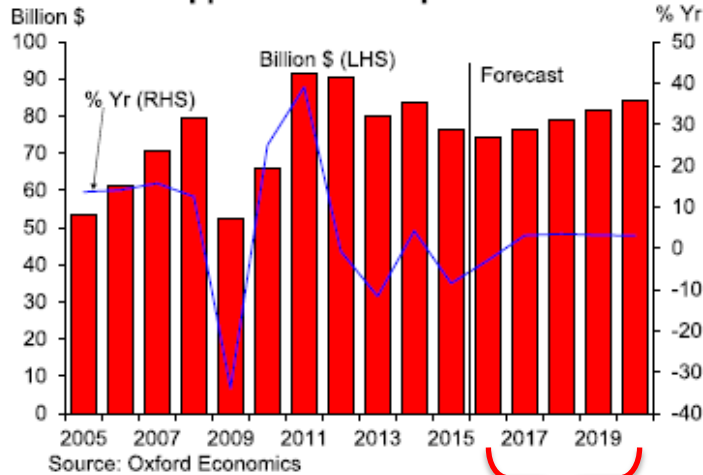
2016  
• New HQTC (Turin)



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

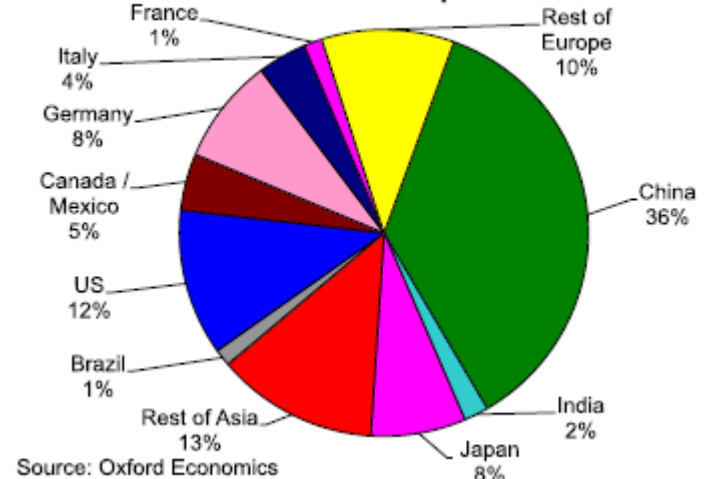


**World: MT Apparent consumption**

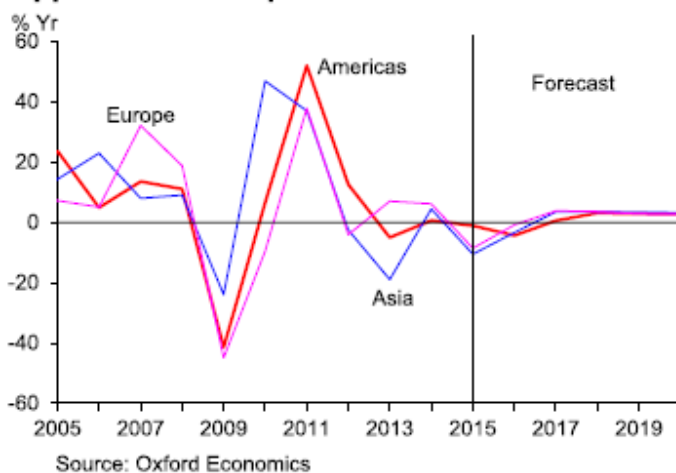


**CAGR 2016 - 2020:  $\approx 3\%$**

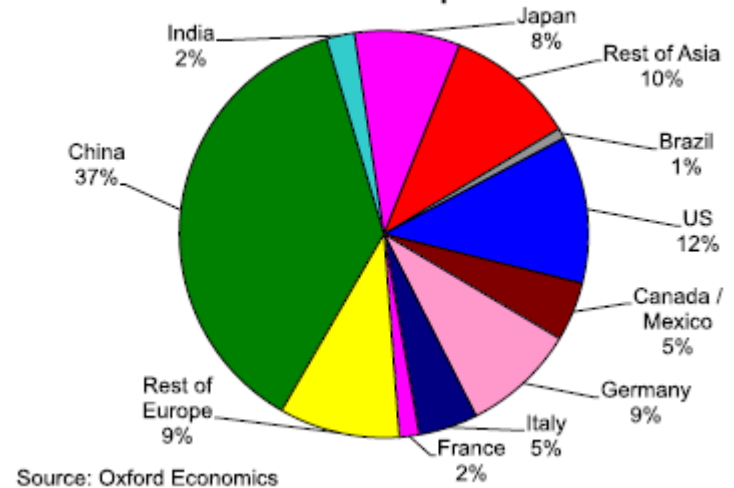
**World: Machine tool consumption in 2015**



**Apparent consumption**



**World: Machine tool consumption in 2020**

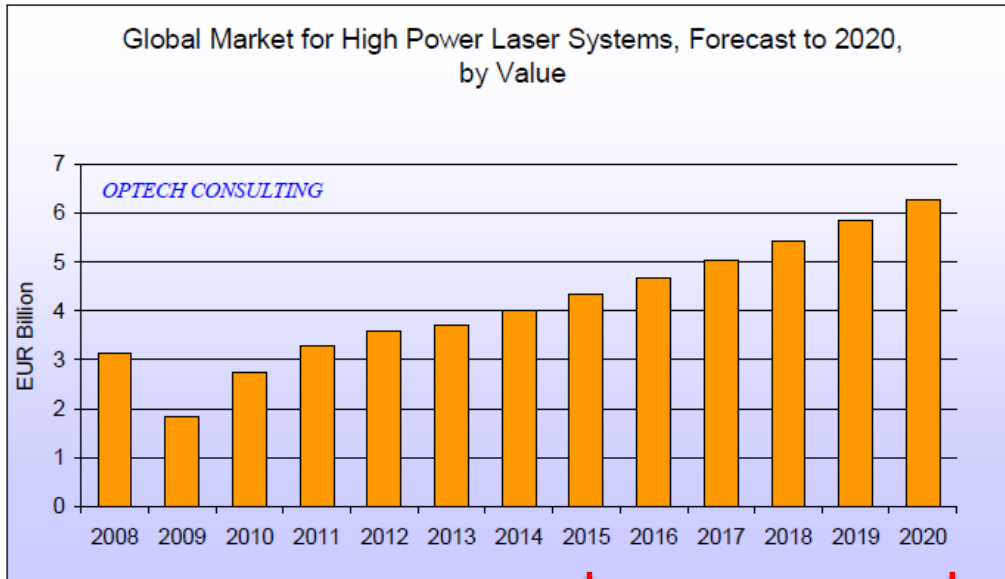




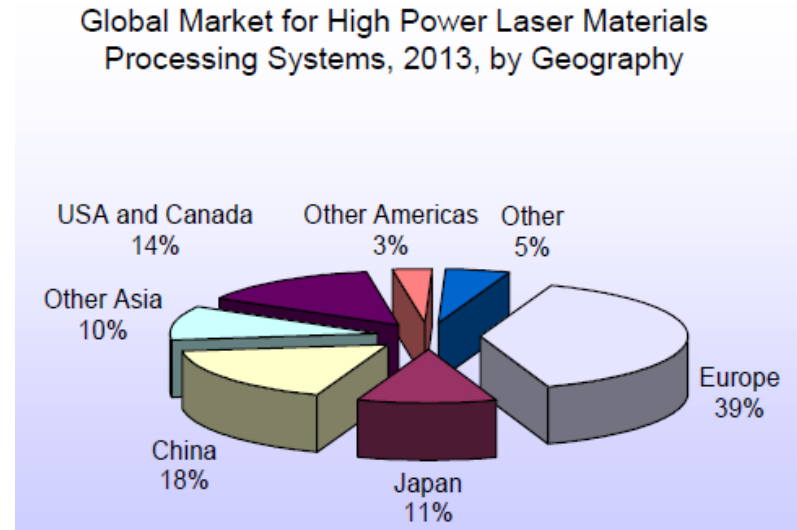


# Market trends: laser systems market - by Optech Consulting (last available Jan. 2014)

## 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



## Market trends: recent updates

- US Association for manufacturing technology (ATM) released the monthly update on manufacturing orders for the month of July: US manufacturing technology orders totaled USD319.7m reporting a +23% yoy increase. YTD, US market is up in the low double digit area (+10.1% yoy). By segment, metal cutting was the driver of the growth (+23.8% yoy), while metal forming & fabricating closed flattish yoy (+0.4%).
- In Italy, according to the ISTAT monthly industrial production survey, machinery production was up 8% yoy in July. YTD data remains positive in the low single digit (+2% yoy).
- According to Oxford economics, Italian market is expected to post strong growth (+10.6%) this year, outperforming the rest of Europe (+3.6%), China (+3.9%), US (+0.5%) and Japan (+0.9%). The second part of the year is expected to confirm the positive trend. The outlook remains supportive also for FY18, if government will confirm the tax incentive plan on capex.
- In Italy for the month of September global PMI remains close to peak level posting 53.2 in September, unchanged from August's 75-month high. September survey data signaled a further improvement in operating conditions across the US manufacturing sector. The overall upturn was supported by further growth in output and new orders. As far the Euro zone is concerned, conditions in manufacturing sector strengthened.



# 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

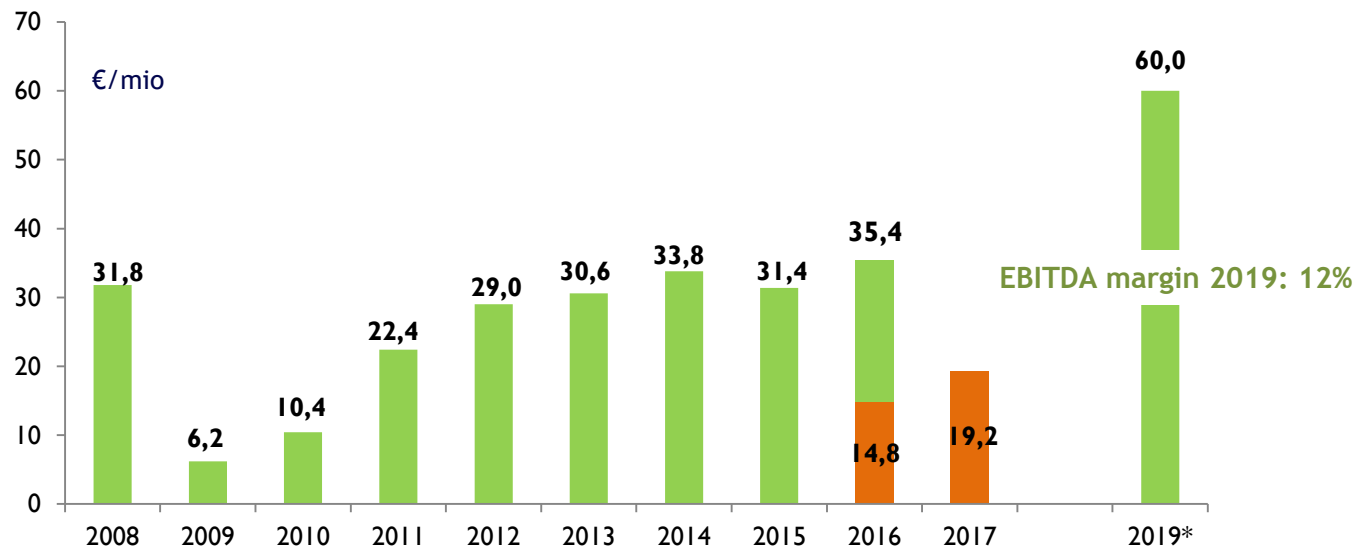
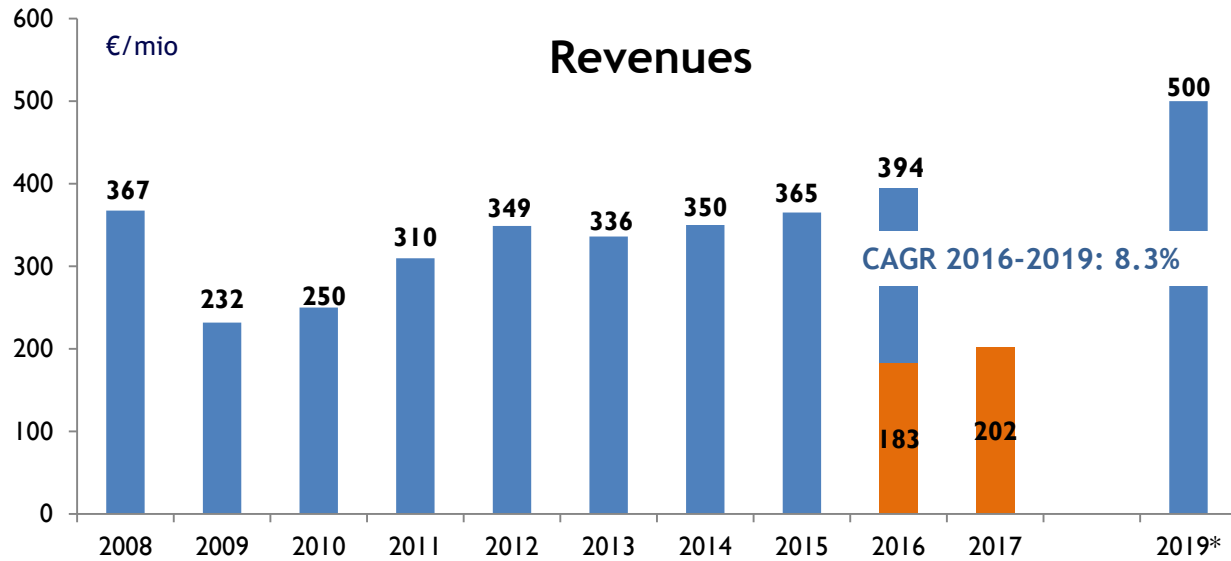


- Higher volumes = Operational leverage
- Progressive increase in fiber laser in sourcing
- Diode Fab success in diodes development





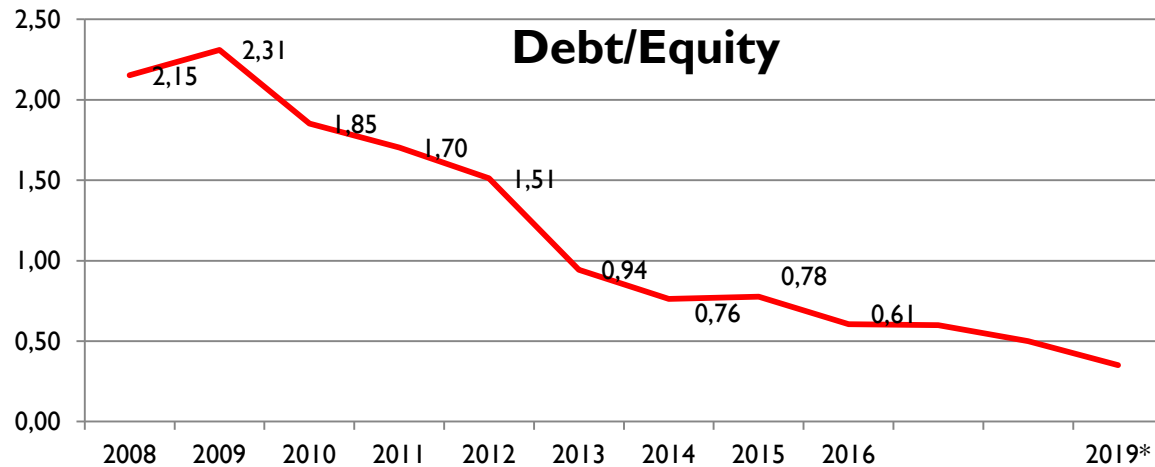
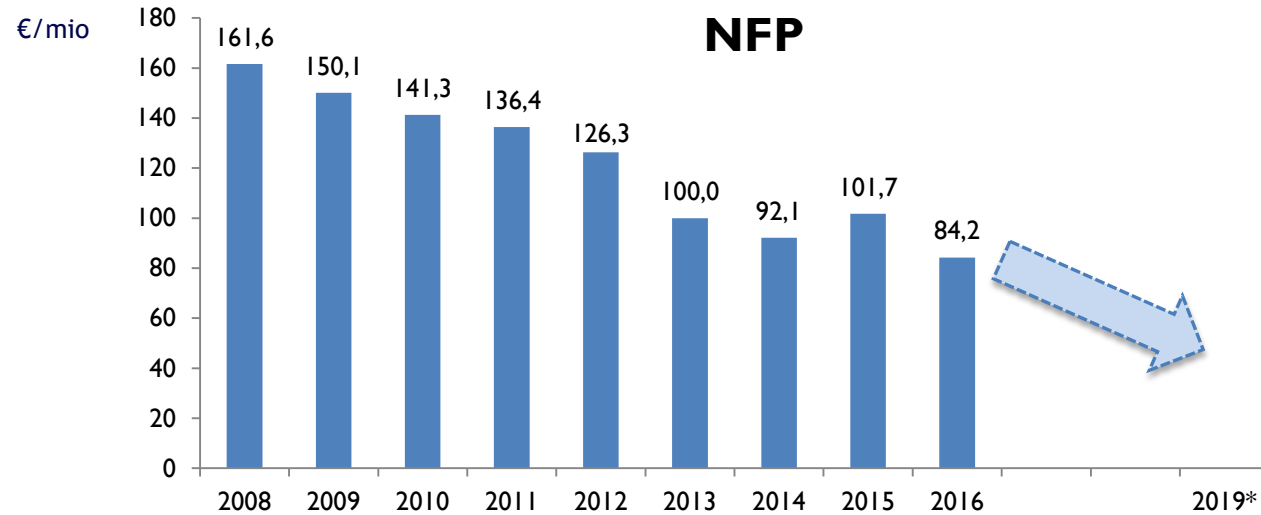
# Economic trends



\* = according to Company's business plan



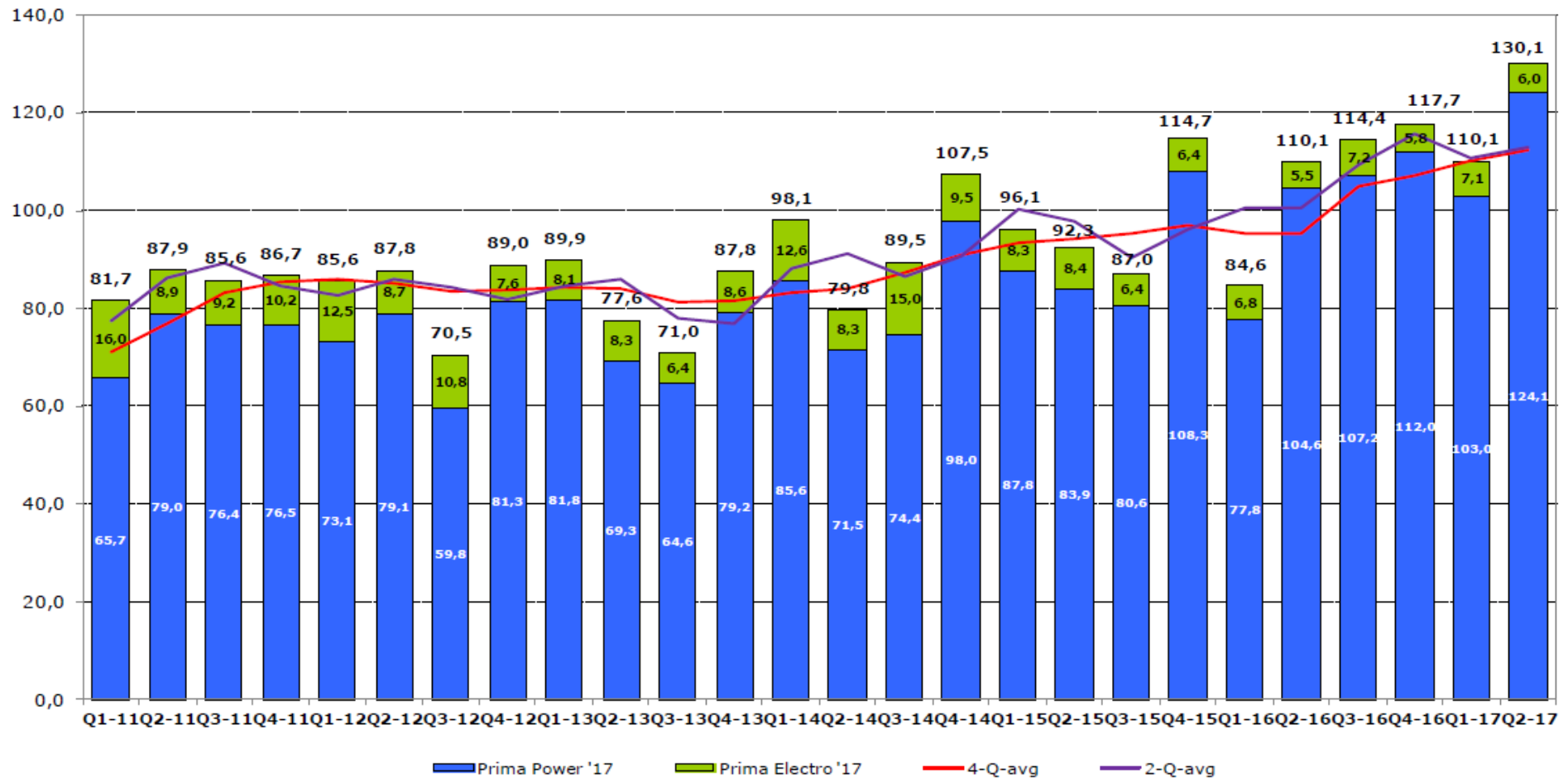
# Net financial position trend



\* = according to Company's business plan



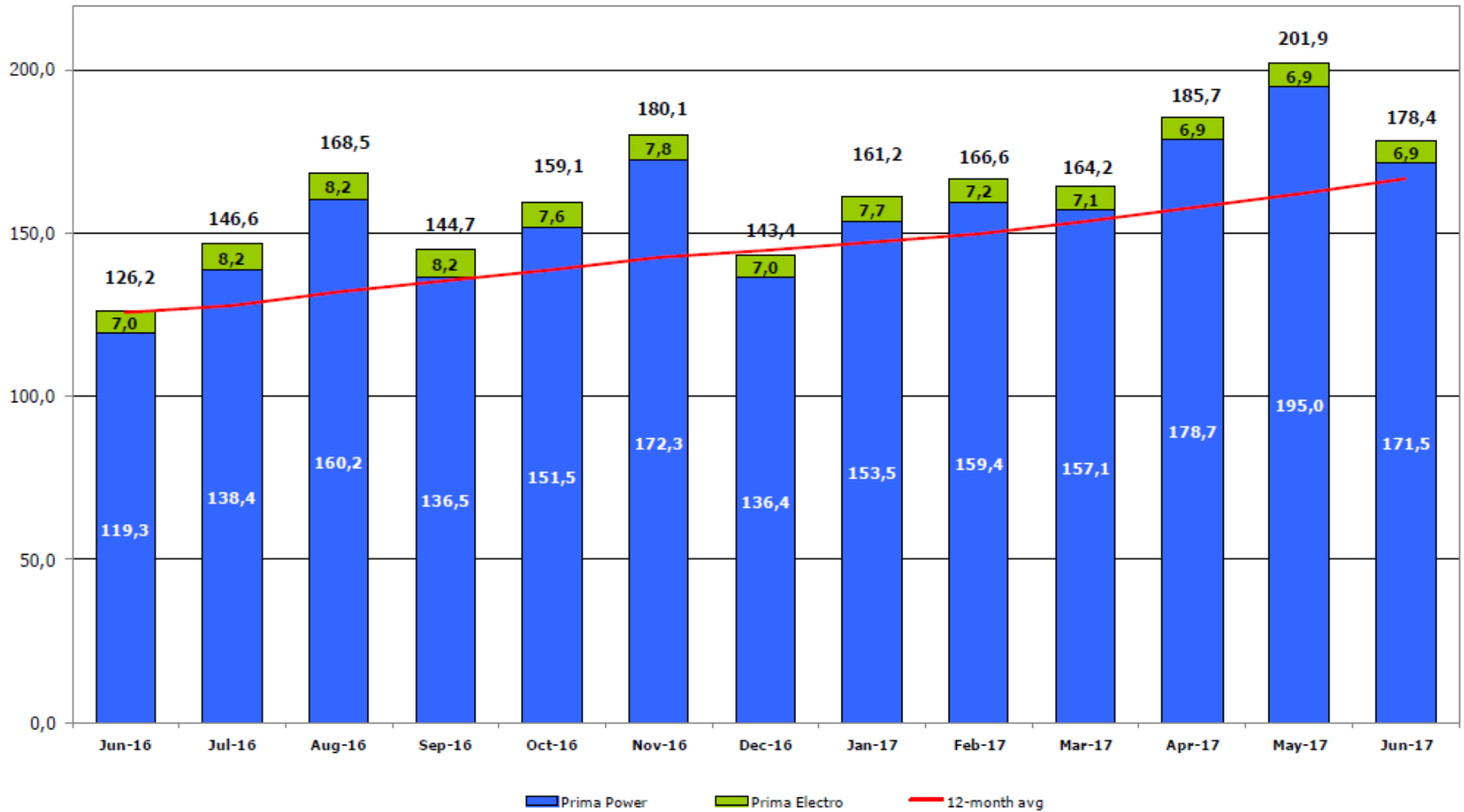
# Quarterly order intake since 2011







# Last 13 months backlog





# Analysts' consensus

TP	2017				2018				2019			
	B. IMI	B. Akros	Mediobanca	Consensus	B. IMI	B. Akros	Mediobanca	Consensus	B. IMI	B. Akros	Mediobanca	Consensus
	34,5	30,9	40,8		34,5	30,9	40,8		34,5	30,9	40,8	
REVENUES	432,0	445	444,7	440,6	470	477	482,9	476,6	500	510,5	514,1	508,2
EBITDA	43,0	49,0	45,3	45,8	53,1	57	52,2	54,1	60	65,4	61,1	62,2
EBIT	27,5	32	28,5	29,3	37,1	42	34,3	37,8	44	49,9	42,1	45,3
NET RESULT	16,6	20	18,7	18,4	23,68	27	24	24,9	29,1	33,9	29,5	30,8
NFP	-78,7	-77	-76,3	-77,3	-60,2	-62	-66,3	-62,8	-37,8	-40,4	-42,6	-40,3

**CAGR 2016 (A) -2019 consensus: ~ 9%**

 **BANCA IMI** Released August 7, 2017

 **Banca Akros** Released August 4, 2017  
Gruppo Bipiemme

 **MEDIOBANCA** Released September 11, 2017



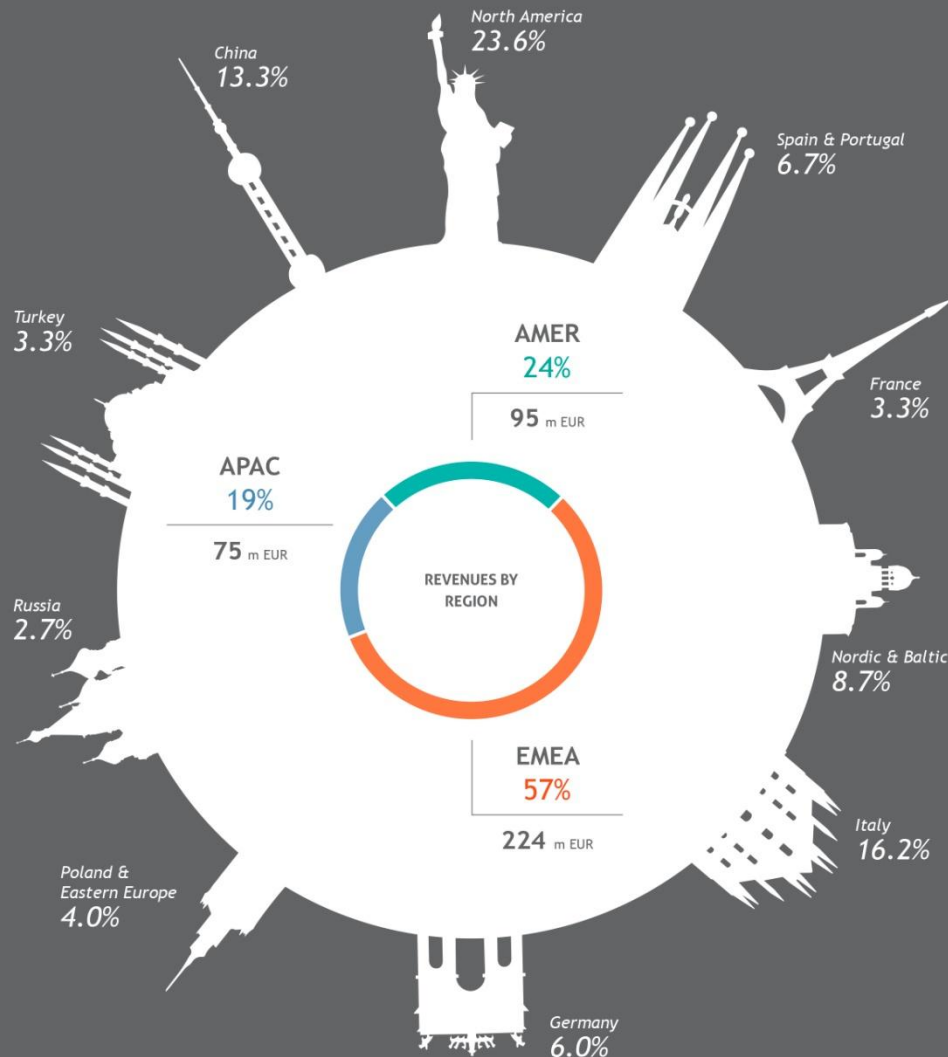
# Machine revenues by application





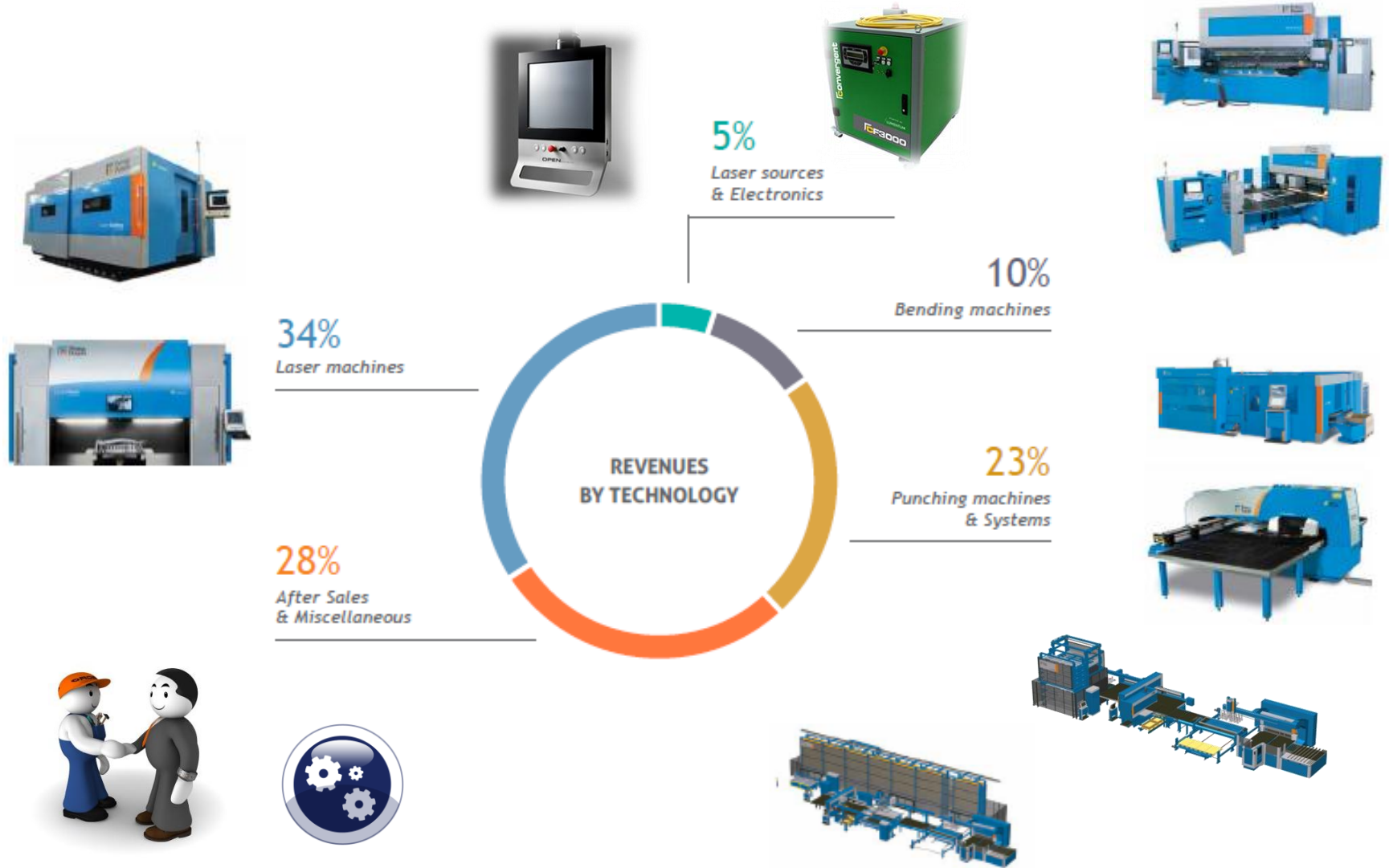


# Revenues by geography





# 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

2D



Laser Genius

## The Combi



Combi Genius

## The Punch



Shear Punch



# Always at the cutting edge of technology







# A selection from our 2,000 customers ww



Logos of automotive customers:

- RENAULT
- VOLVO
- Audi
- BMW
- KARSAN
- PROTON
- Ford
- FCA
- 东风汽车公司 DONGFENG MOTOR CORPORATION
- TATA
- ITALDESIGN
- Gonvarri Steel Services
- MAGNA
- SUNGWOO HITECH
- tiberina
- EDAG
- CECOMP
- Metalsa
- DOVER
- GESTAMP
- 吃豐集團 YI FENG GROUP
- SALZGITTERAG
- ThyssenKrupp
- COMAU
- ORAN



Logos of aerospace and industrial customers:

- AIRBUS
- GE Aviation
- ACE PRECISION
- LOCKHEED MARTIN
- BOEING
- SAFRAN
- Honeywell
- Kale Pratt & Whitney
- Pratt & Whitney
- WSK „PZL-Rzeszów” S.A.
- TurboCare
- Solar Turbines
- mitsubishi
- Paradigm Precision
- DONCASTERS
- NORTHROP GRUMMAN
- ABB
- HITACHI
- STEMAC
- SIEMENS
- GE Oil & Gas
- HYUNDAI
- EMERSON
- Liebert.
- Kawasaki
- AREVA
- “KALUGATURBINE WORKS”





# A selection from our 2,000 customers ww



## ELECTRICAL & VENDING EQUIP. - MISCELLANEA





# 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

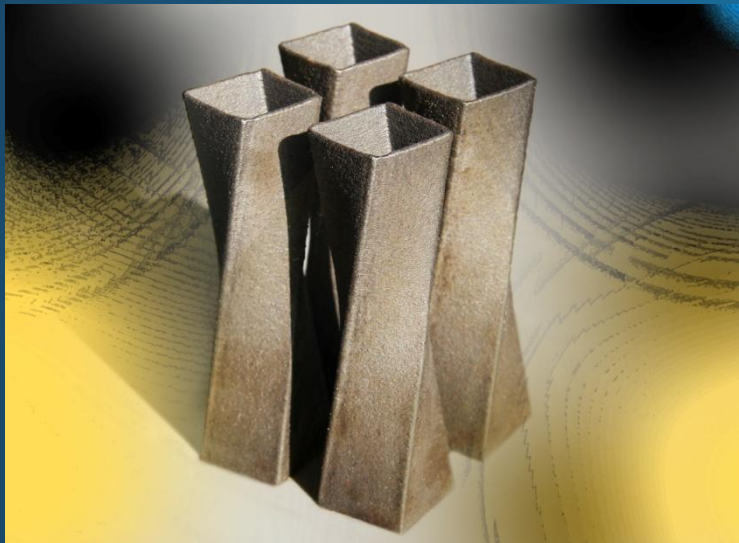
Data-driven machine diagnostics and predictive maintenance services. Production performance analysis, monitoring of machines status and condition.



# 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 June 30, 2017:

## Balance sheet

Values in Euro	30/06/2017	31/12/2016
Property, plant and equipment	34.624.043	35.281.369
Intangible assets	152.764.868	155.713.399
Investments accounted for using the equity method	-	1.009.341
Other investments	359.551	139.051
Non current financial assets	9.578	9.578
Deferred tax assets	12.541.507	11.555.324
<b>NON CURRENT ASSETS</b>	<b>200.299.547</b>	<b>203.708.062</b>
Inventories	119.344.851	98.561.165
Trade receivables	95.231.969	88.376.748
Other receivables	7.959.065	6.425.617
Current tax receivables	9.457.746	5.053.888
Derivatives	978.781	-
Financial assets	791.509	791.509
Cash and cash equivalents	44.740.938	62.679.901
<b>CURRENT ASSETS</b>	<b>278.504.860</b>	<b>261.888.828</b>
Assets held for sale	1.243.165	318.812
<b>TOTAL ASSETS</b>	<b>480.047.572</b>	<b>465.915.702</b>

Values in Euro	30/06/2017	31/12/2016
Capital stock	26.208.185	26.208.185
Legal reserve	4.652.958	4.565.082
Other reserves	69.324.182	70.738.752
Currency translation reserve	3.288.546	6.848.598
Retained earnings	27.621.702	19.276.926
Net result	7.448.537	10.102.304
<i>Stockholders' equity of the Group</i>	<i>138.544.110</i>	<i>137.739.847</i>
<i>Minority interest</i>	<i>1.200.545</i>	<i>1.212.065</i>
<b>STOCKHOLDERS' EQUITY</b>	<b>139.744.655</b>	<b>138.951.912</b>
Interest-bearing loans and borrowings	105.729.629	111.675.762
Employee benefit liabilities	8.001.721	8.100.353
Deferred tax liabilities	7.887.459	8.340.653
Provisions	160.545	162.684
Derivatives	5.793	220.866
<b>NON CURRENT LIABILITIES</b>	<b>121.785.147</b>	<b>128.500.318</b>
Trade payables	98.910.899	88.448.383
Advance payments	33.692.845	26.029.170
Other payables	23.724.186	22.076.067
Interest-bearing loans and borrowings	36.265.707	34.894.444
Current tax payables	5.000.919	7.695.264
Provisions	20.923.213	18.424.370
Derivatives	-	895.774
<b>CURRENT LIABILITIES</b>	<b>218.517.770</b>	<b>198.463.472</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>480.047.572</b>	<b>465.915.702</b>

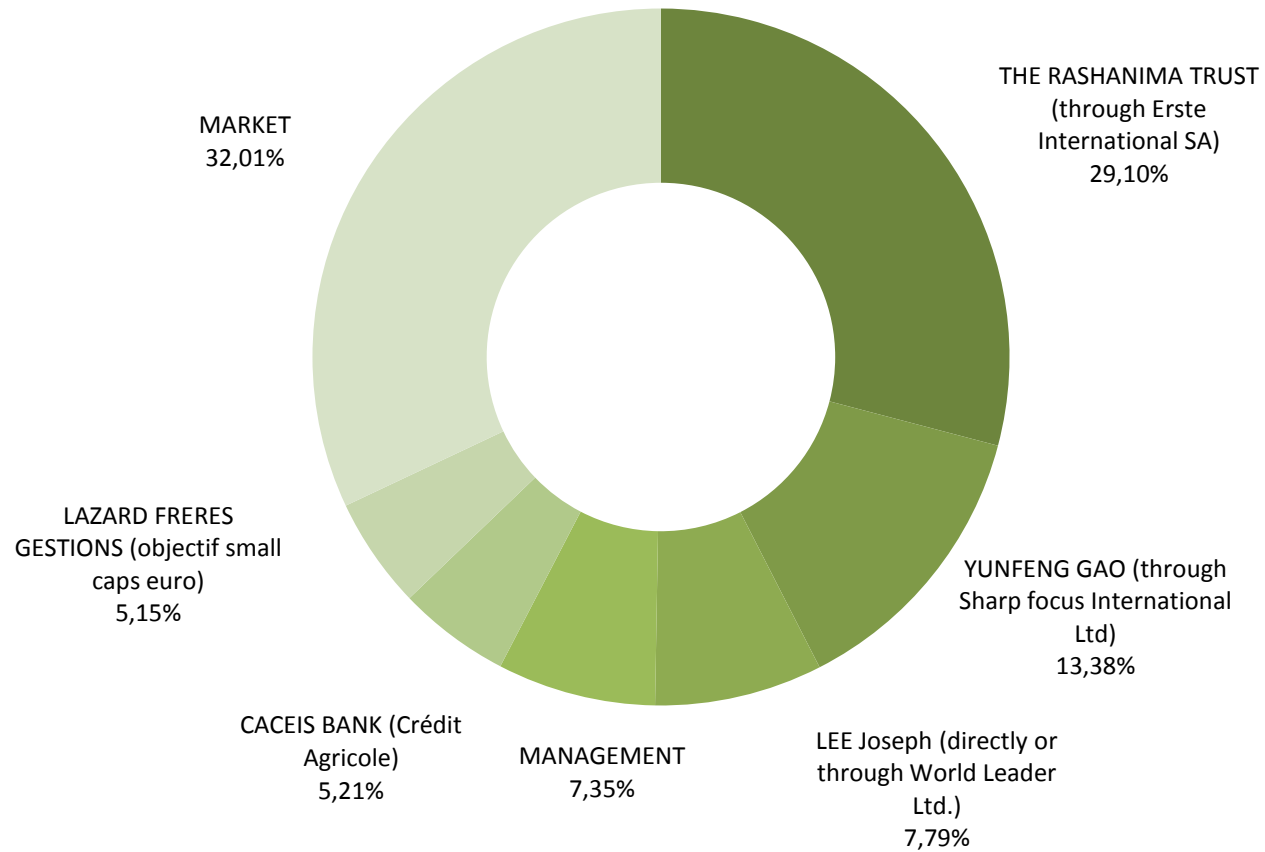


# Financial statements as at June 30, 2017: P & L

Values in Euro	30/06/2017	30/06/2016
Net revenues	202.415.105	183.290.613
Cost of goods sold	(150.706.781)	(138.249.017)
<b>GROSS MARGIN</b>	<b>51.708.324</b>	<b>45.041.596</b>
Research and Development costs	(6.336.947)	(5.595.548)
Sales and marketing expenses	(14.424.138)	(13.464.305)
General and administrative expenses	(11.736.050)	(11.200.183)
<b>OPERATING GROSS MARGIN (EBITDA)</b>	<b>19.211.189</b>	<b>14.781.560</b>
<i>of which: non recurring items</i>	<i>(822.812)</i>	<i>(830.354)</i>
Impairment - Write-off	(23.299)	(127.443)
Depreciation	(8.543.764)	(7.571.376)
<b>OPERATING PROFIT (EBIT)</b>	<b>10.644.125</b>	<b>7.082.741</b>
<i>of which: non recurring items</i>	<i>(846.111)</i>	<i>(957.797)</i>
Financial income	2.279.142	538.316
Financial expenses	(3.381.808)	(3.609.964)
Net exchange differences	(1.704.590)	(542.028)
Net result of investments accounted for using the equity method	-	332.287
Net result of other investments	903.676	-
<b>RESULT BEFORE TAXES (EBT)</b>	<b>8.740.546</b>	<b>3.801.352</b>
<i>of which: non recurring items</i>	<i>57.565</i>	<i>(625.510)</i>
Taxes	(1.235.858)	(871.146)
<b>NET RESULT</b>	<b>7.504.687</b>	<b>2.930.206</b>
- Attributable to Group shareholders	7.448.536	2.928.934
- Attributable to minority shareholders	56.151	1.272
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>0,71</b>	<b>0,28</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>0,71</b>	<b>0,28</b>



# Shareholding structure



Source: latest dividend payment (May 2017)



THANK YOU !

