



**Together We Grow**

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*London, STAR Conference 2015*

*October 5<sup>th</sup>, 2015*



**London**  
Stock Exchange



**Borsa Italiana**



## 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
- About 12,000 machines installed in more than 70 countries
- Over 1,600 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, serving more than 70 countries worldwide
- 2014 sales were at € 350 millions, of which 87% outside Italy
- Strong commitment to innovation (R&D approx. 6% of turnover)
- Listed on Italian Stock Exchange (STAR segment) since 1999



## Prima Group business sectors: laser machines



*Innovation is our commitment*



## Prima Group business sectors: sheet metal processing

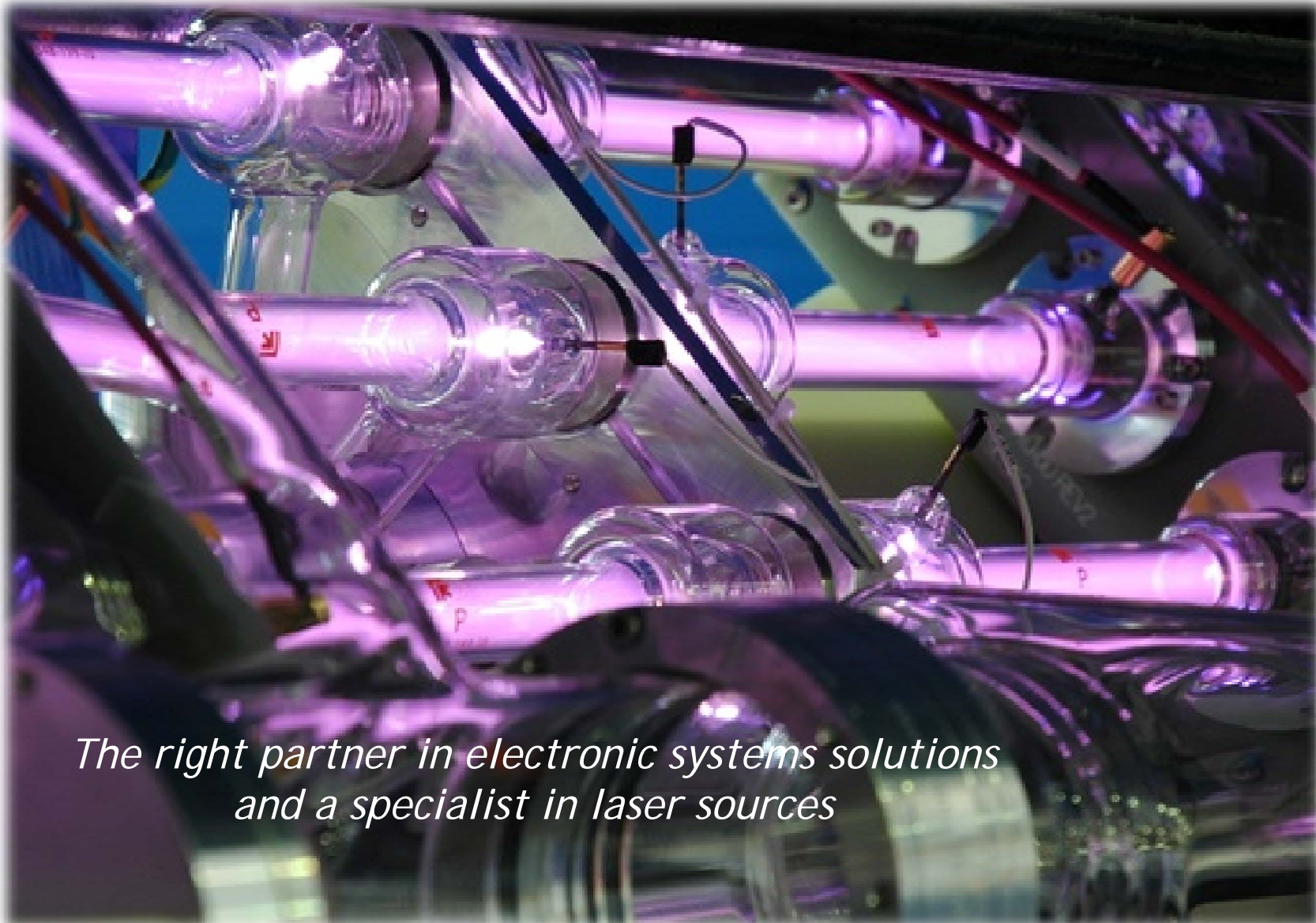
*A leading specialist with a comprehensive product range*





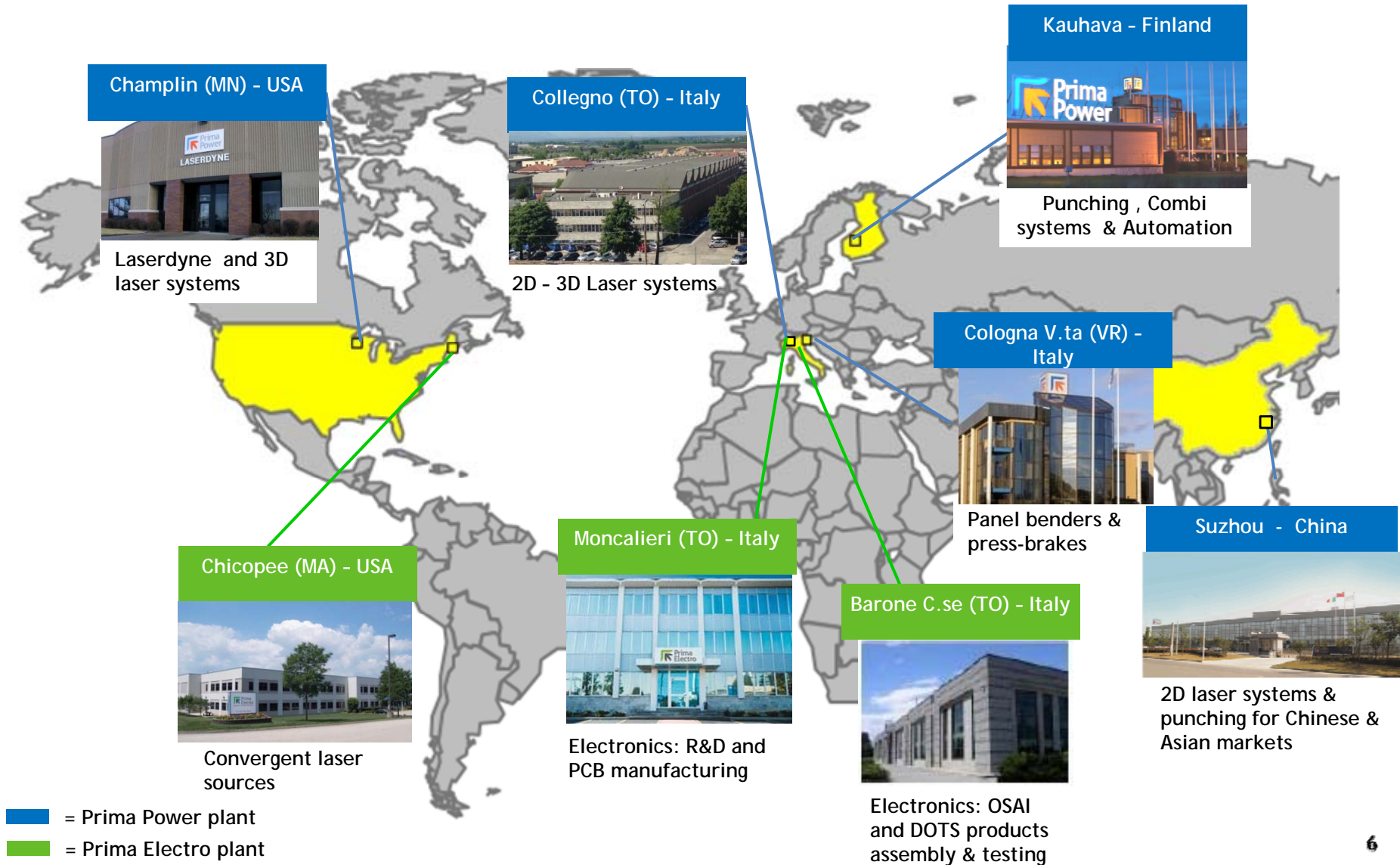


## Prima Group business sectors: electronics & laser sources



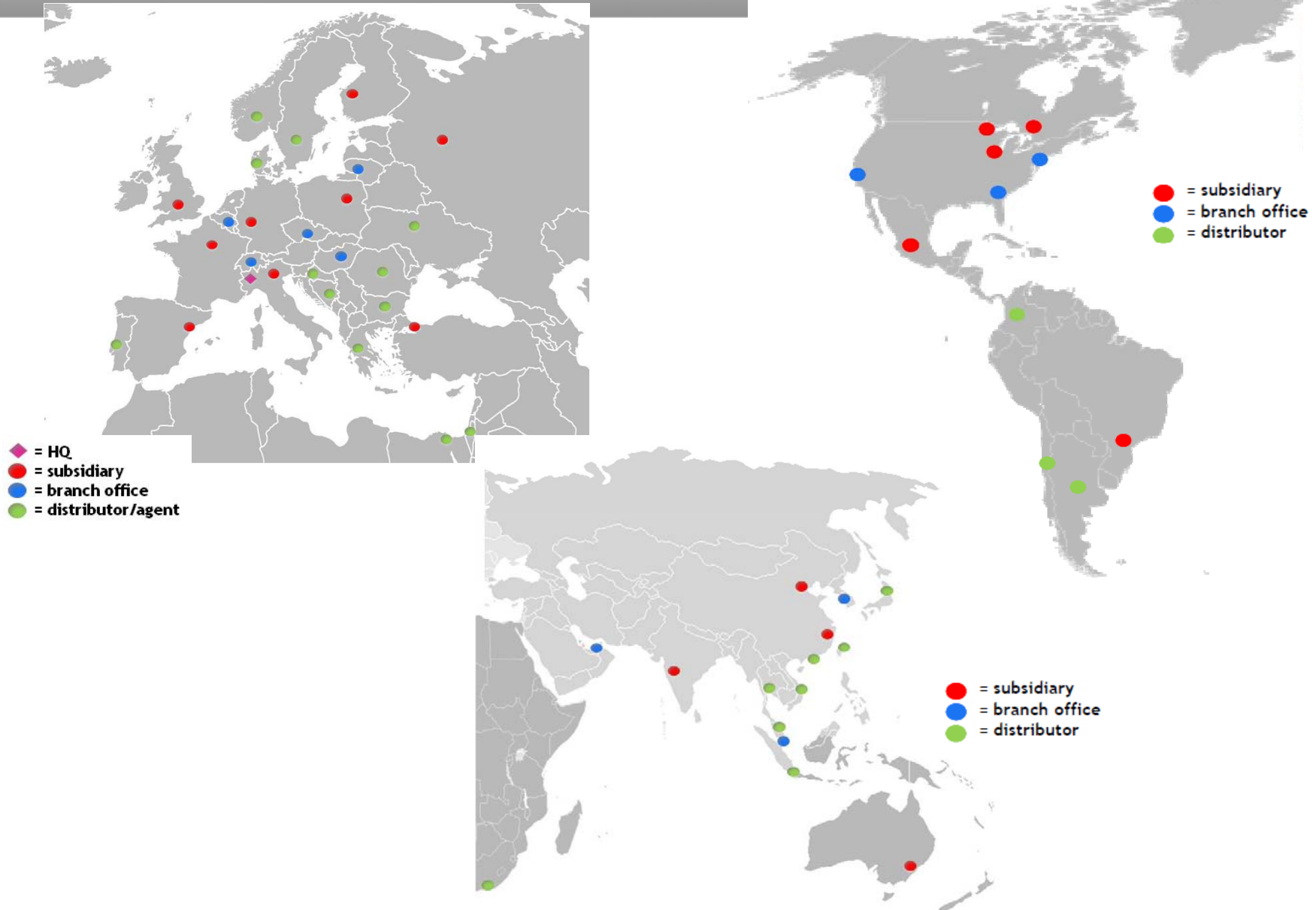


# Industrial footprint





# Sales & service footprint



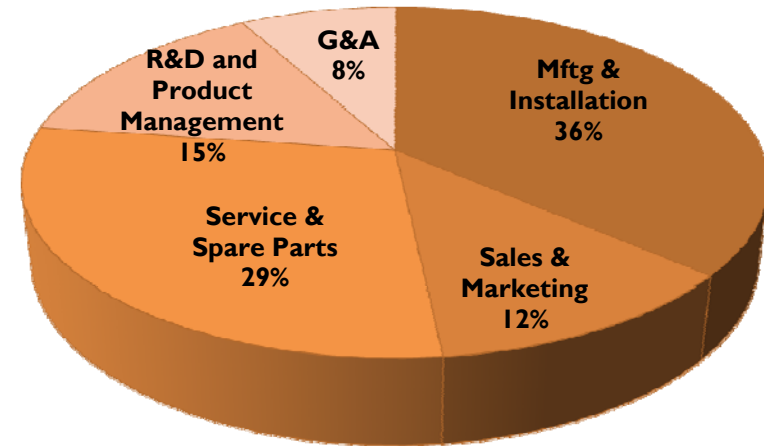


# Our People

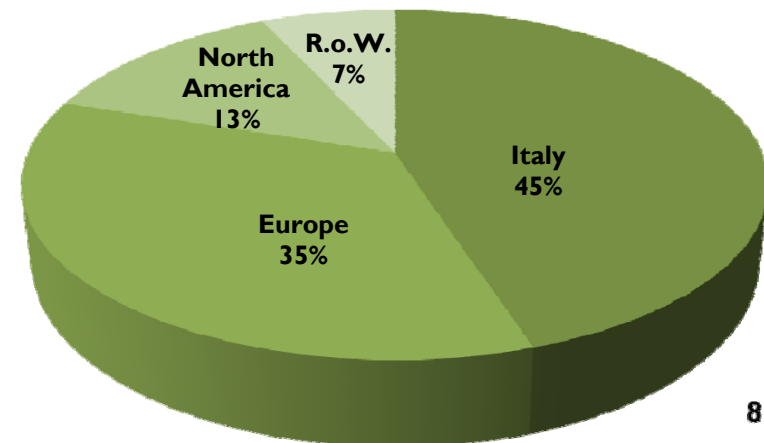
1,626 Employees worldwide



Breakdown by function at 30/06/2015

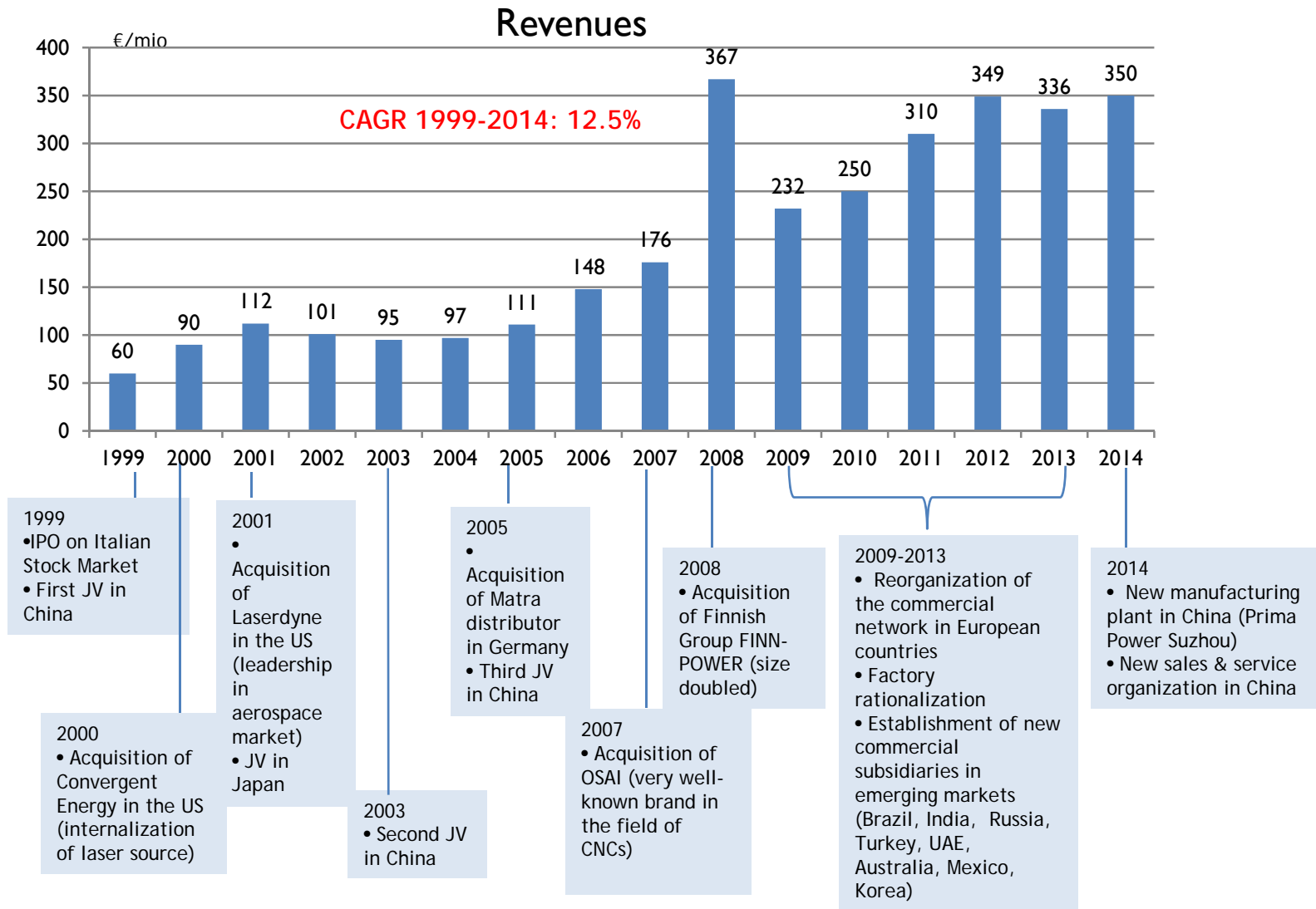


Breakdown by geographic area at 30/06/2015





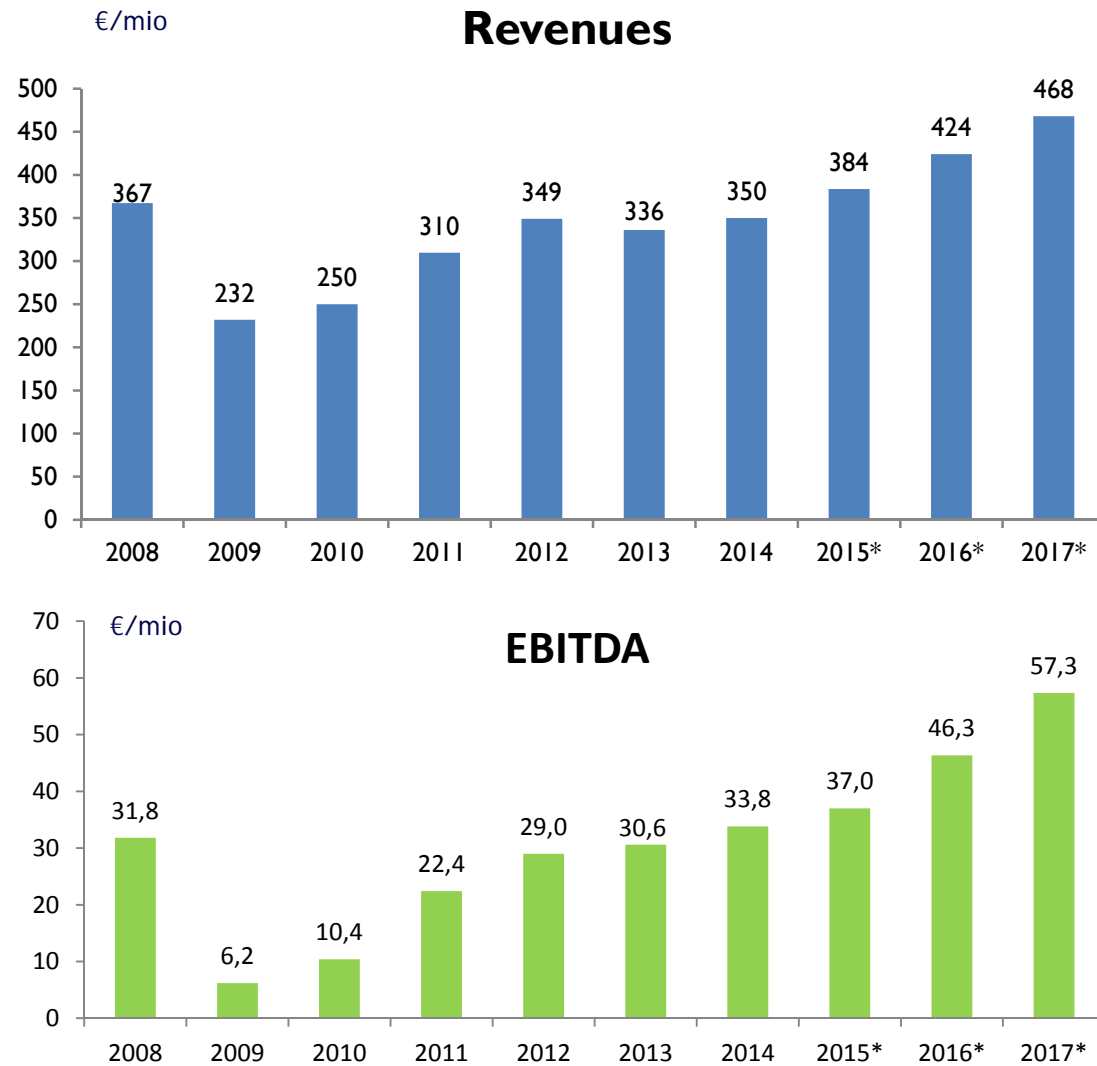
# A history of growth







# Economic trends



**FURTHER MARGIN INCREASE EXPECTED FROM:**

- Additional in-sourcing of new laser generators
- Operational leverage
- Return from recent investments (e.g: Prima Power Suzhou, Sales network, New Products,...)

\* = according to analysts' consensus :



BANCA IMI



Banca Akros



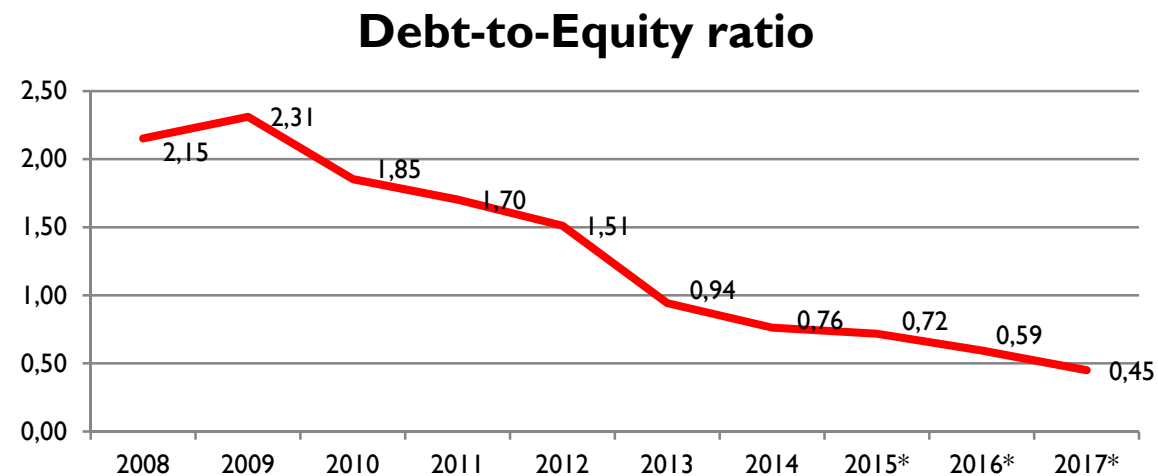
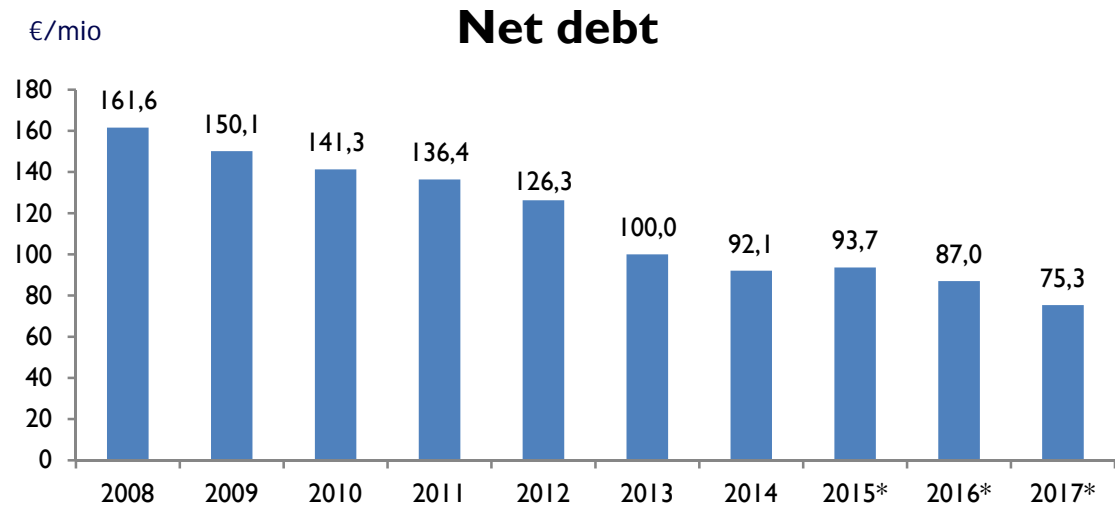
UBI Banca

Gruppo Bipienna





# Net financial position trend



\* = according to analysts' consensus :



BANCA IMI



Banca Akros

UBI Banca



## 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 |
| <b>REVENUES</b>   | 385    | 380     | 385,9     | 383,6     | 423,5  | 420     | 427,6     | 423,7     | 465,8  | 462     | 476,01    | 467,9     |
| <b>EBITDA</b>     | 36,1   | 39      | 36,1      | 37,1      | 44,5   | 47      | 47,63     | 46,4      | 54     | 56,9    | 61,02     | 57,3      |
| <b>NET RESULT</b> | 9,4    | 13,8    | 10,3      | 11,2      | 15,7   | 18,5    | 17,6      | 17,3      | 20,5   | 23,7    | 26,1      | 23,4      |
| <b>NFP</b>        | 95,6   | 89      | 95,9      | 93,5      | 89,5   | 80      | 90,65     | 86,7      | 79,6   | 64      | 81,88     | 75,2      |

*CAGR 2015-2017 consensus: 10.4%*





# New financing

| 31/12/2014 Long term facilities                    |            | 30/06/2015 Long term facilities |                       |                      |  |
|--|------------|---------------------------------|-----------------------|----------------------|--|
|  |            | Bond                            | € 40 mio bullet       | -                    | <i>Listed on</i><br><br>Exp. Feb. 2022  |
| Finn-Polar Loan remaining portion (Exp. Feb. 2016) | € 88,5 mio | Italian Pool                    | € 40 mio amortizing   | € 20 mio revolving   | <i>Lenders:</i><br><br> <br><br>GRUPPO BNP PARIBAS<br>Exp. 2019-2021 |
|  |            | Finnish Pool                    | € 12.5 mio amortizing | € 12.5 mio revolving | <i>Lenders:</i><br><br><br>Exp. 2020  |
|  |            |                                 | € 92.5 mio            | € 32.5 mio           |  |



# Reference markets: machinery

## ELECTRICAL EQUIP, VENDING & DISTRIB. MACHINES

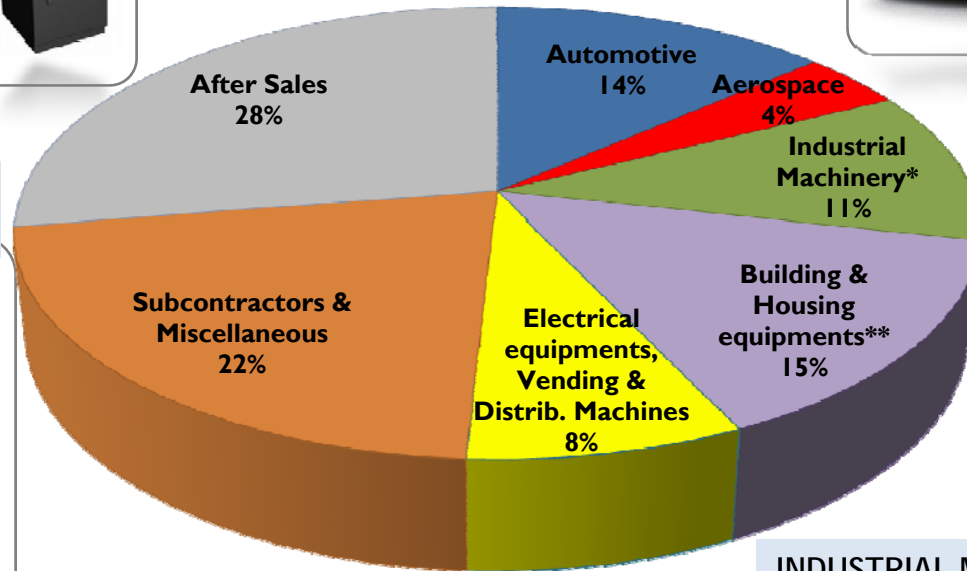


Machinery  
Revenues at 30/06/2015  
€ 151 million

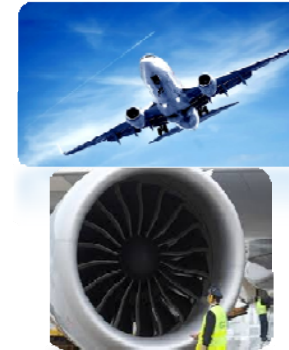
## AUTOMOTIVE



## BUILDING & HOUSING EQUIPMENT



## AEROSPACE & ENERGY



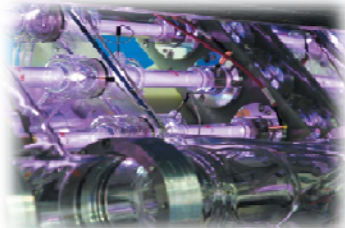
## INDUSTRIAL MACHINERY



\*= including agricultural, construction & industrial machinery  
\*\* = including HVAC, lighting, elevators, furniture & home appliances

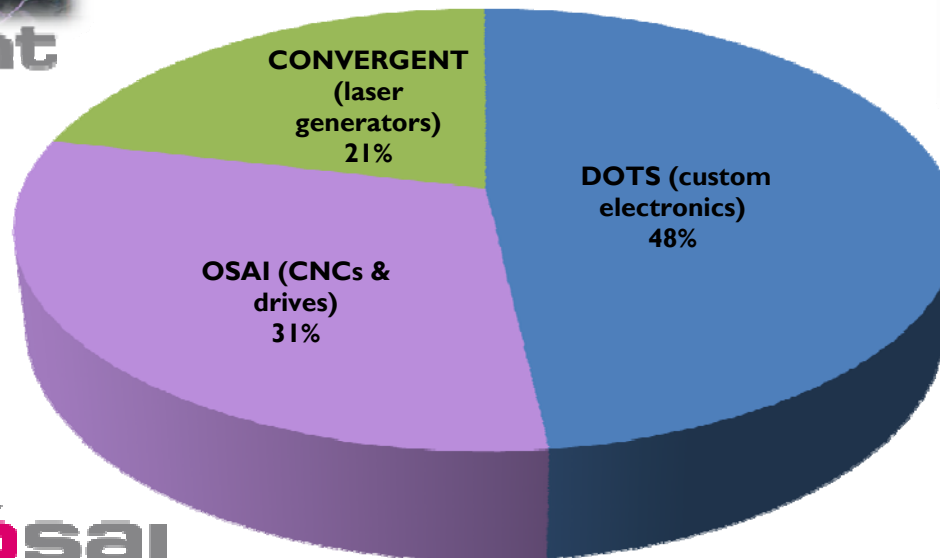


# Reference markets: components

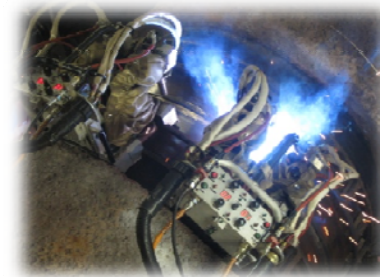


Industrial Electronics  
Revenues at 30/06/2015  
€ 32 million

**convergent**



**dots**



**osai**



- Prima Electro holds a  $\cong 20\%$  in Electro Power Systems (EPS), a forerunner in smart hydrogen-based systems for energy storage.
- EPS is a significant Prima Electro DOTS customer for electronic components
- EPS is listed on Euronext; The current implied value of the participation is 8.6 m€, against a book value of 1.1 m€.

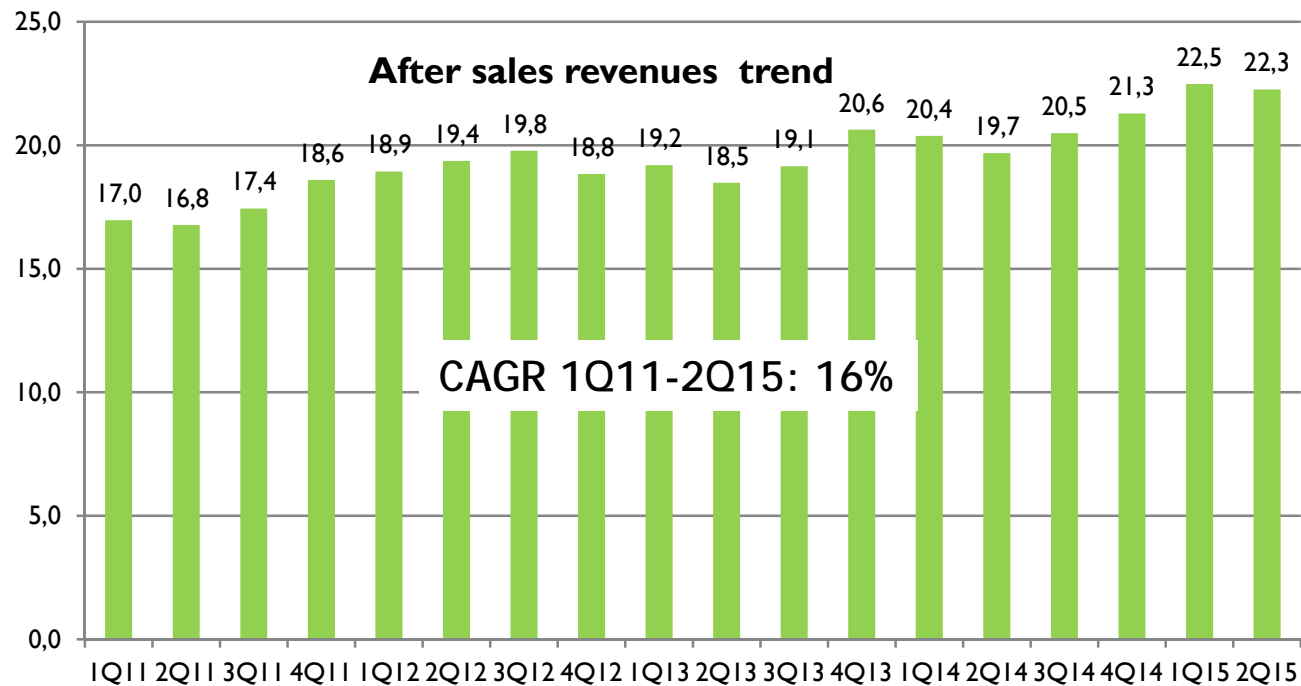






# Reference markets: after sale service

- Increasing revenues coming from service and spare parts thanks to increasing installed base
- Spare parts represent approx. 65% of after sale revenues
- High margin and anti cyclical business

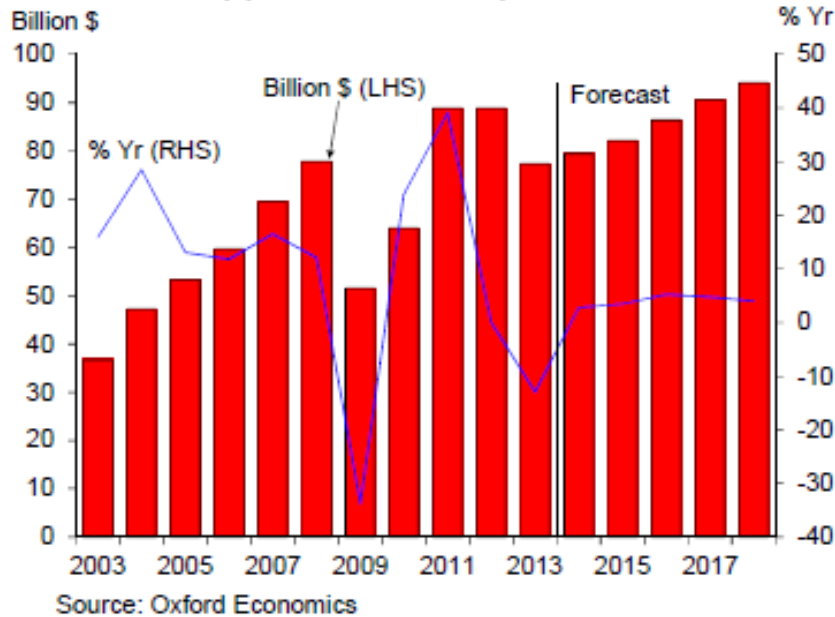




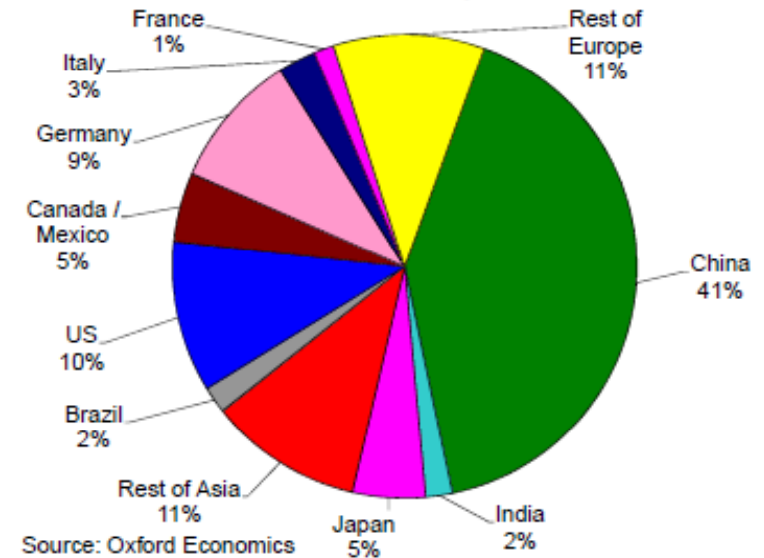


# Market trends: machine tool market - by Oxford Economics (update Spring 2015)


**World: MT Apparent consumption**



**World: Machine tool consumption in 2013**



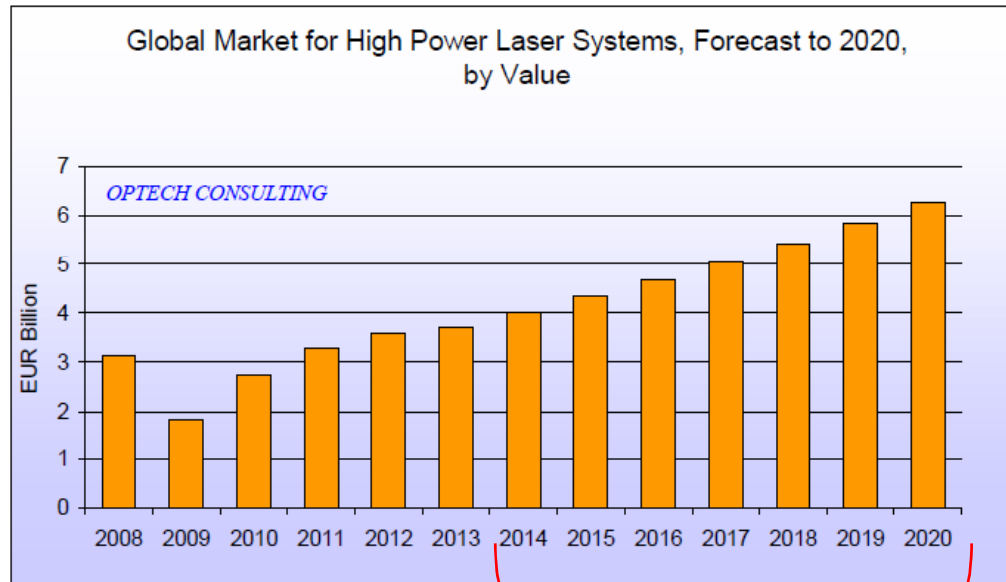
**Machine Tool Consumption - % change  
(In Euros)**

|  | 2013         | 2014       | 2015          | 2016       | 2017       | 2018       |
|--|--------------|------------|---------------|------------|------------|------------|
| <b>WORLD</b>   | <b>-15.8</b> | <b>2.7</b> | <b>3.4</b>    | <b>5.2</b> | <b>4.7</b> | <b>3.9</b> |
|  <b>Prima Power</b> | <b>-3.5</b>  | <b>3.6</b> | <b>11.0 *</b> |            |            |            |

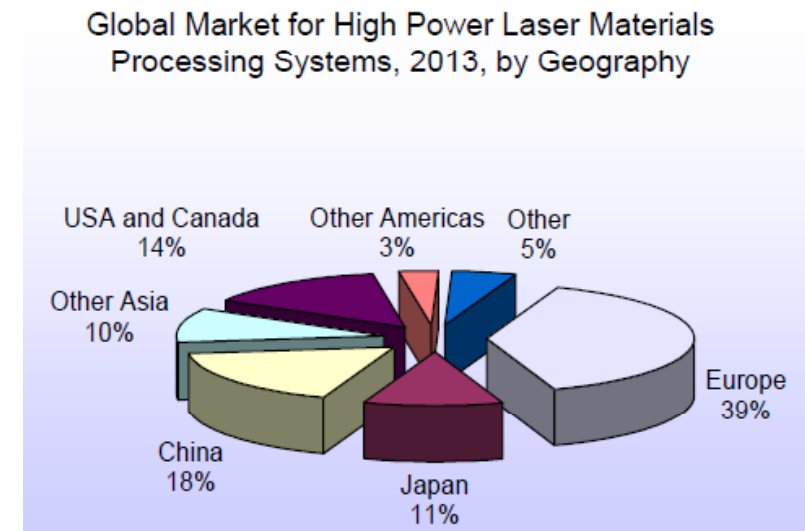
\* = change 30/6/15 vs 30/6/14



# Market trends: laser systems market - by Optech Consulting (January 2014 - update expected Jan. 2016))



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

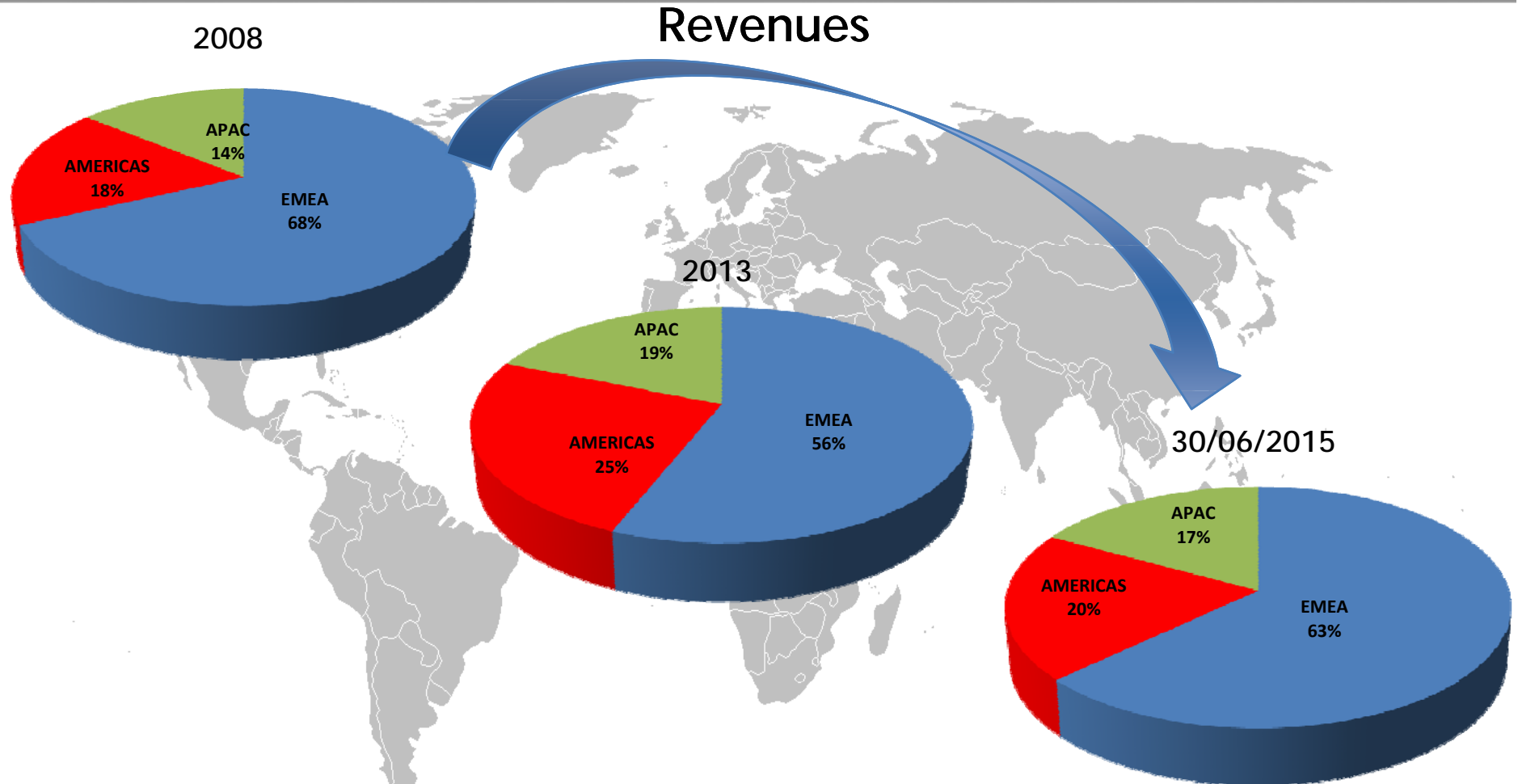


## Global market and forecast for high power laser systems

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



# The geographic diversification

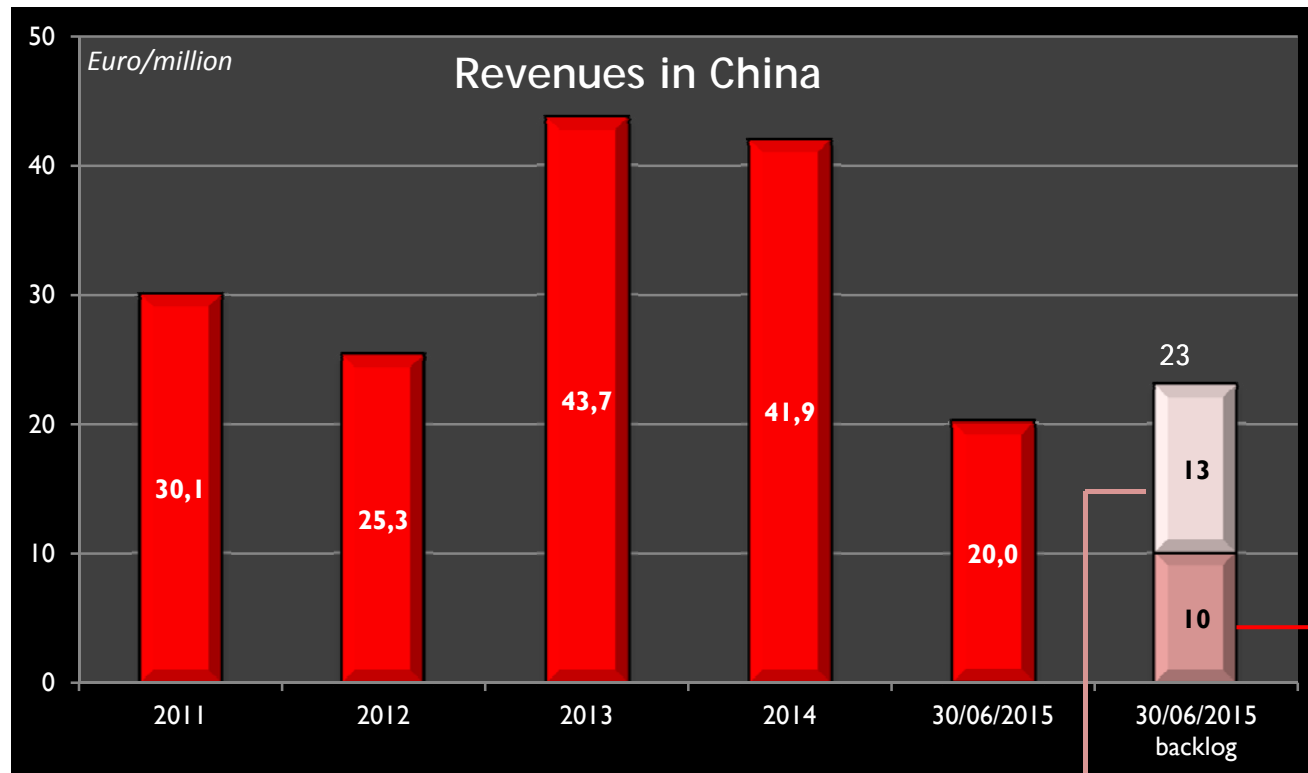
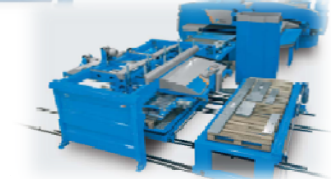


*"Economic turbulence does not hit the same market at the same time: our strength is the global presence, allowed by a competitive range of products".*



# Prima Group Revenues in China

- Direct presence in China since 1997
- New sales organization established as from Jan. 1<sup>st</sup> 2015



Backlog for deliveries in 2016

Backlog for deliveries in 2015





# New commercial strategy in China

SALES & SERVICE  
of full product line

**North area**  
PP Beijing

**Central area**  
Wuhan  
*(planned)*

**East area**  
PP Suzhou

**South area**  
HK/Shenzhen  
Leeport



# R&D: Always at the cutting edge of technology



Laser Genius

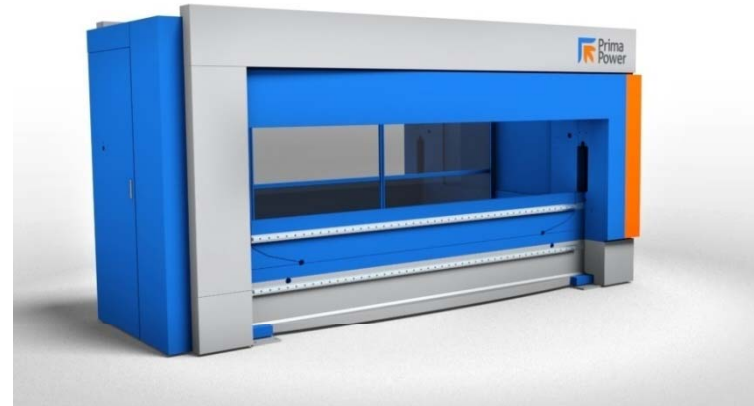


Combi Genius

*R&D represents in average approx. 6% of turnover*



Fast Bend



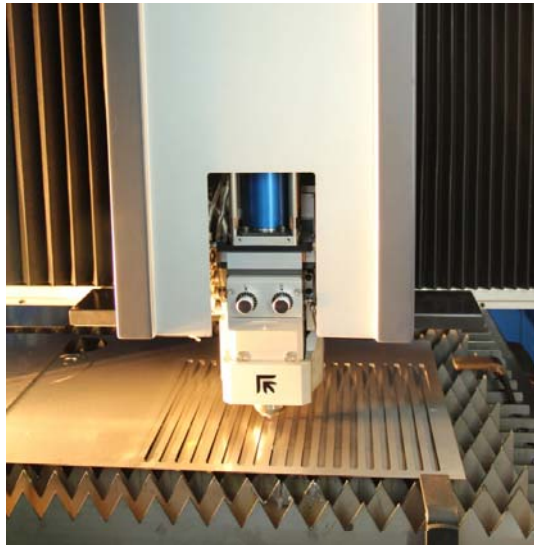
eP 2040



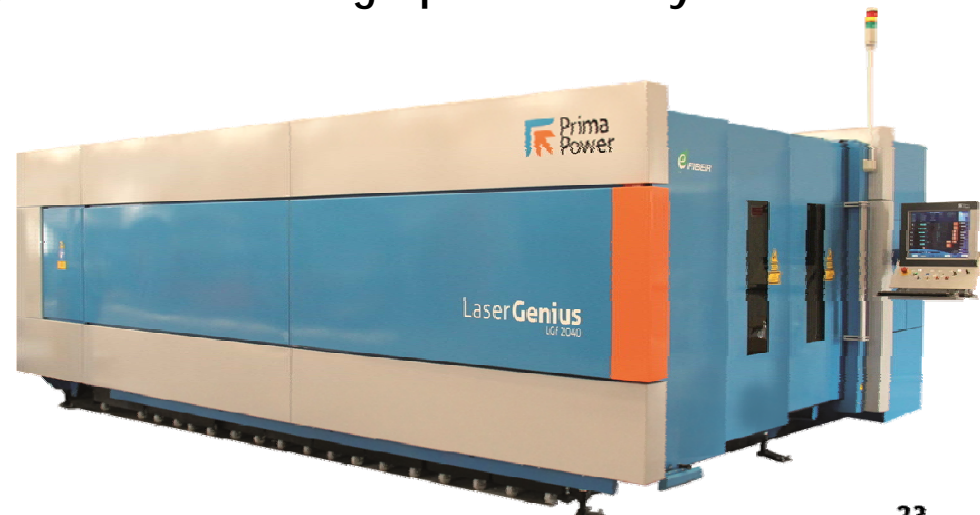


## New initiatives to drive the growth

Imminent launch (BlechExpo & FabTech) of new *HIGH PERFORMING* 2D Laser machine: LASER GENIUS



- 100% ironless
  - carbon fiber moving carriage
  - aluminum focusing head
  - synthetic granite frame
- high power/high brilliance 6 kW fiber laser
- comprehensive range of automation systems to suit high productivity





# New initiatives to drive the growth

**3 EXPOS**  
**IN 2 WEEKS**  
**IN 3 CONTINENTS**



**03.-06. NOVEMBER 2015**

**STUTT GART**





## New initiatives to drive the growth



- Exploiting the Iranian market with:
- . an installed base of more than 50 machines
  - . a well trained after sales team of resident engineers





# New initiatives to drive the growth

## **NEW TECHNOLOGY CENTER & HEADQUARTERS IN COLLEGNO - TORINO**

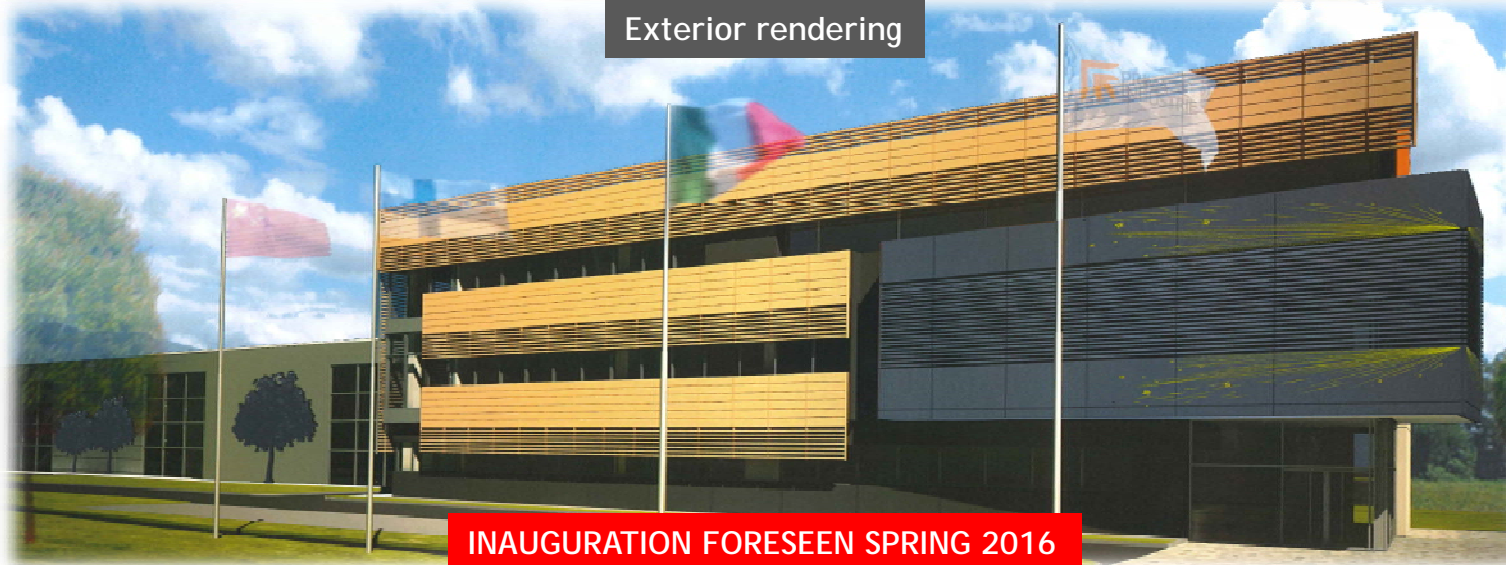
As of July '15



Interior rendering



Exterior rendering





## Financial statements as at Jun. 30, 2015

### **BALANCE SHEET**

| Amounts in €/000  | 30/06/15       | 31/12/14       |
|---|----------------|----------------|
| Tangible and intangible assets                            | 82.705         | 79.584         |
| Goodwill  | 103.094        | 102.880        |
| Investments and other non current assets                  | 1.894          | 985            |
| Deferred tax assets                                       | 10.493         | 9.957          |
| <b>NON CURRENT ASSETS</b>                                 | <b>198.186</b> | <b>193.406</b> |
| Inventory   | 98.667         | 77.504         |
| Trade receivables   | 87.324         | 85.664         |
| Trade payables  | (84.696)       | (77.594)       |
| Down payments   | (18.497)       | (16.934)       |
| <b>NET WORKING CAPITAL</b>                                | <b>82.798</b>  | <b>68.640</b>  |
| Other current assets and liabilities                      | (12.396)       | (12.983)       |
| Current tax assets  | (1.028)        | (2.075)        |
| Provisions for risks and employee benefits                | (24.536)       | (23.653)       |
| Deferred tax liabilities                                  | (11.039)       | (10.822)       |
| Assets held for sale                                      | 284            | 284            |
| <b>NET INVESTED CAPITAL</b>                               | <b>232.269</b> | <b>212.797</b> |
| <b>NET DEBT</b>   | <b>106.672</b> | <b>92.089</b>  |
| <b>NET EQUITY</b>   | <b>125.597</b> | <b>120.708</b> |
| <i>Equity attributable to parent company shareholders</i> | 124.215        | 119.558        |
| <i>Minorities</i>   | 1.382          | 1.150          |
| <b>FONTI DI FINANZIAMENTO</b>                             | <b>232.269</b> | <b>212.797</b> |



# Financial statements as at Jun. 30, 2015

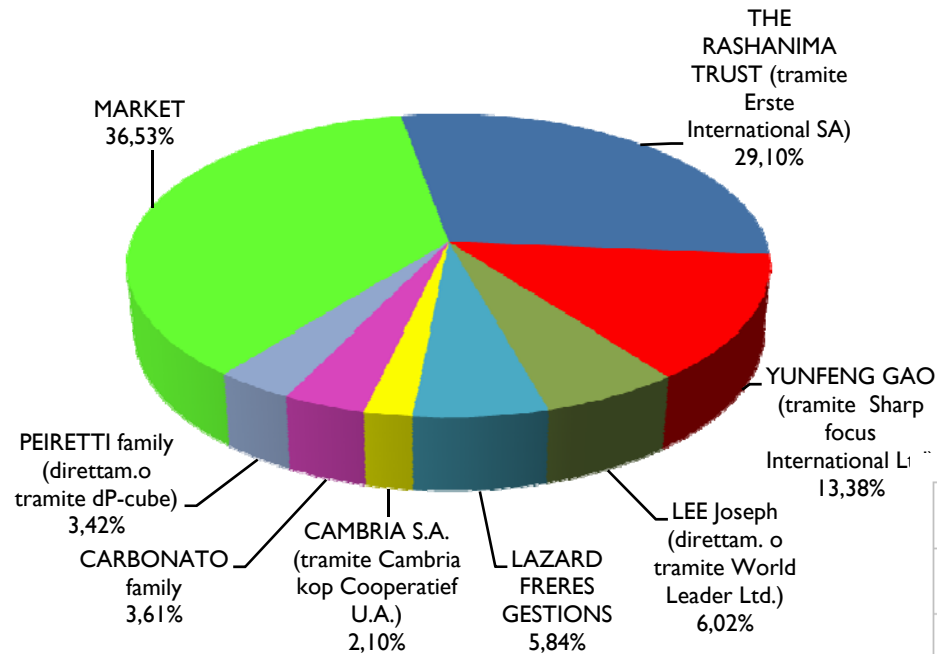
## PROFIT & LOSS

| (figures in Euro thousand) | 30/06/2015  | 30/06/2014  |
|----------------------------|-------------|-------------|
| REVENUES                   | 175.940     | 154.210     |
| VALUE OF PRODUCTION        | 199.390     | 182.075     |
| EBITDA                     | 14.686      | 14.828      |
| <i>% on sales</i>          | <i>8,3%</i> | <i>9,6%</i> |
| EBIT                       | 8.219       | 9.291       |
| <i>% on sales</i>          | <i>4,7%</i> | <i>6,0%</i> |
| EBT                        | 3.074       | 5.741       |
| <i>% on sales</i>          | <i>1,7%</i> | <i>3,7%</i> |
| NET INCOME                 | 1.257       | 3.514       |
| <i>% on sales</i>          | <i>0,7%</i> | <i>2,3%</i> |

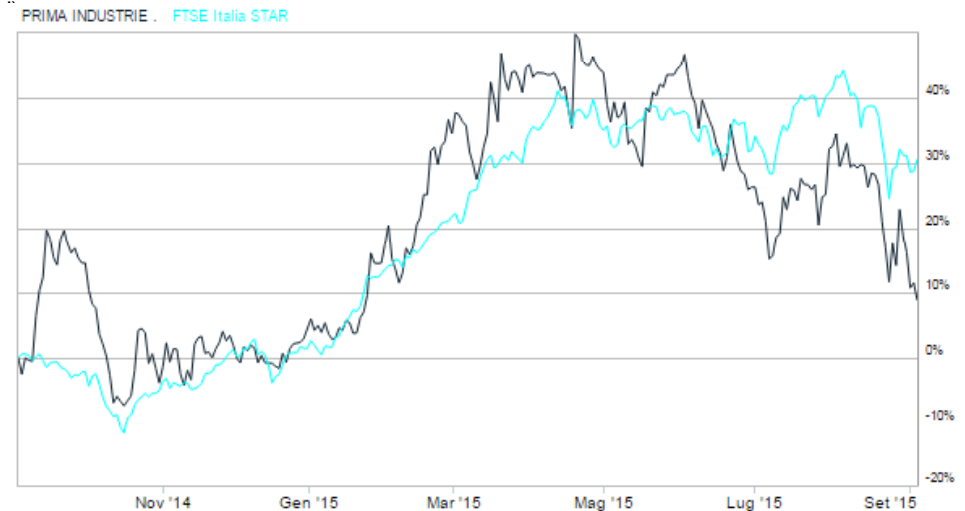




# Stock price trend & shareholders



Source: latest dividend payment (April 2015)





# Selected customers



Logos of automotive customers: FIAT, CITROËN, PEUGEOT, VOLKSWAGEN, GM, MAGNA, BENTELER, Ford, BMW, TATA, KARSAN, CHRYSLER, GIUGIARO, OPEL, RENAULT, Mercedes-Benz, DFM, VOLVO, SEAT, COMAU, EDAC, DANA, BAOSTEEL, TOWER AUTOMOTIVE, POSCO, GESTAMP.



Logos of aerospace and aviation customers: AIRBUS, BOEING, NASA, TurboCare, eurocopter, GE, AVIC, LOCKHEED MARTIN, HAL, Rolls-Royce, Avio, propulsione aerospaziale, Pratt & Whitney, A United Technologies Company, Honeywell, Turbomeca, Groupe SAFRAN, CHROMALLOY, Solar Turbines, A Caterpillar Company, Snecma, SAFRAN Group, mitsubishi, TECNICHAPA WEC, NORTHROP GRUMMAN.

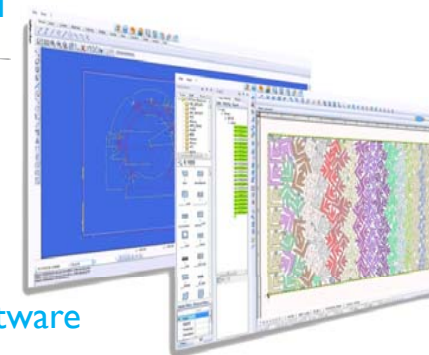
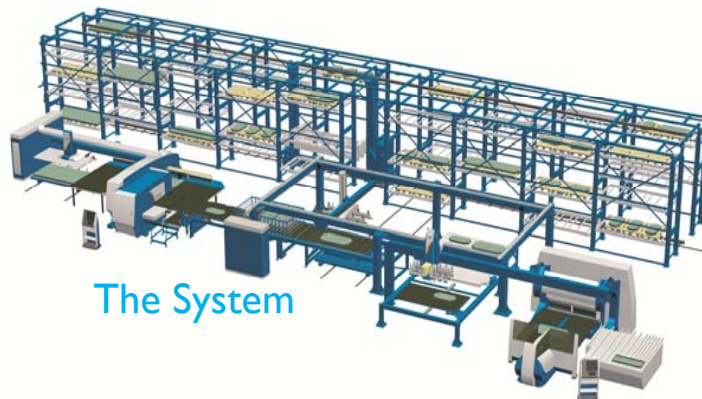


Logos of industrial customers: SCANIA, IVECO, CNH, ABB, Whirlpool, AREVA, Atlas Copco, KESSEBÖHMER, Electrolux, OTIS, bticino, Saipem, SEVEL, CAT, BRINK, VOLVO, AMMANN, YANMAR, GRUPO AZKOYEN, Miele, WOLF, Schindler, mitsubishi, NISSAN FORKLIFT, Lecitrailer, Hotpoint ARISTON, Linde, INDESIT, STILL, scmgroup.



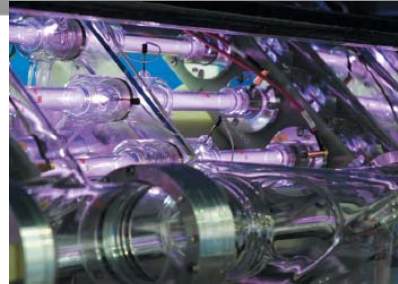
# Prima Power: product range

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





# 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