



Innovation  
has a name.



Veikko Moilanen  
Systems Sales

Ivana Montelli  
Research & Development

Kyle Plass  
Customer Care

Pei Jin  
Automotive Projects

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## London STAR Conference 2014



**London**  
Stock Exchange Group

*October 2<sup>nd</sup>, 2014*



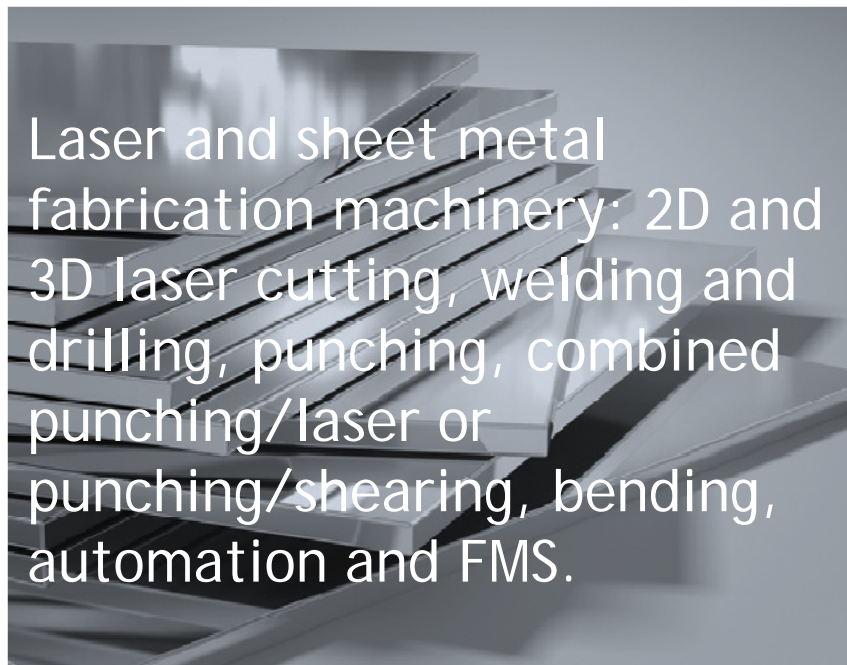
**Borsa Italiana**



# 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 2013  
Euro 301 million

## Electronics & laser technologies

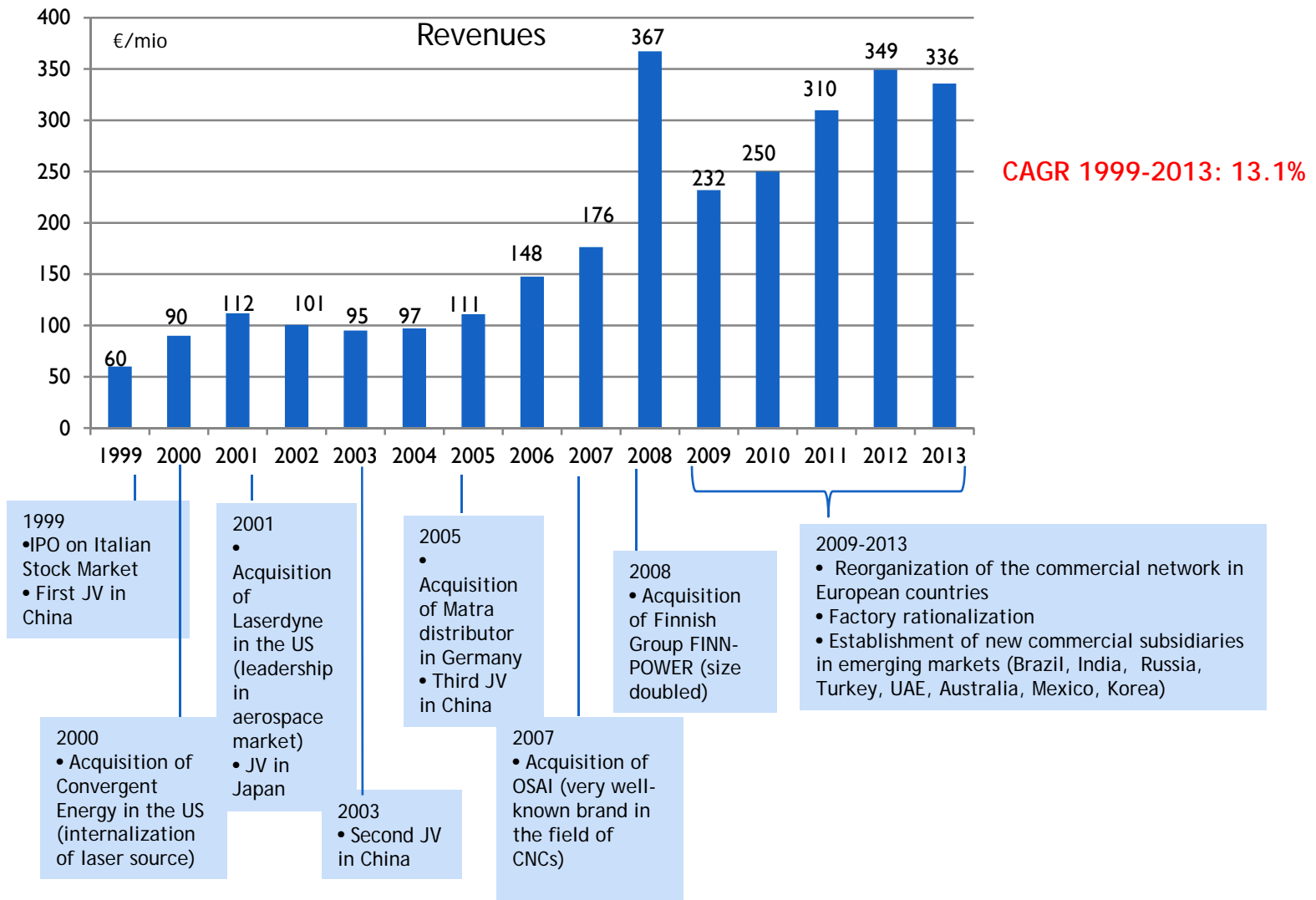


Industrial electronics (power and control electronics, numerical controls). High power CO<sub>2</sub> and Nd:YAG laser sources for industrial applications.

Turnover 2013  
Euro 48 million

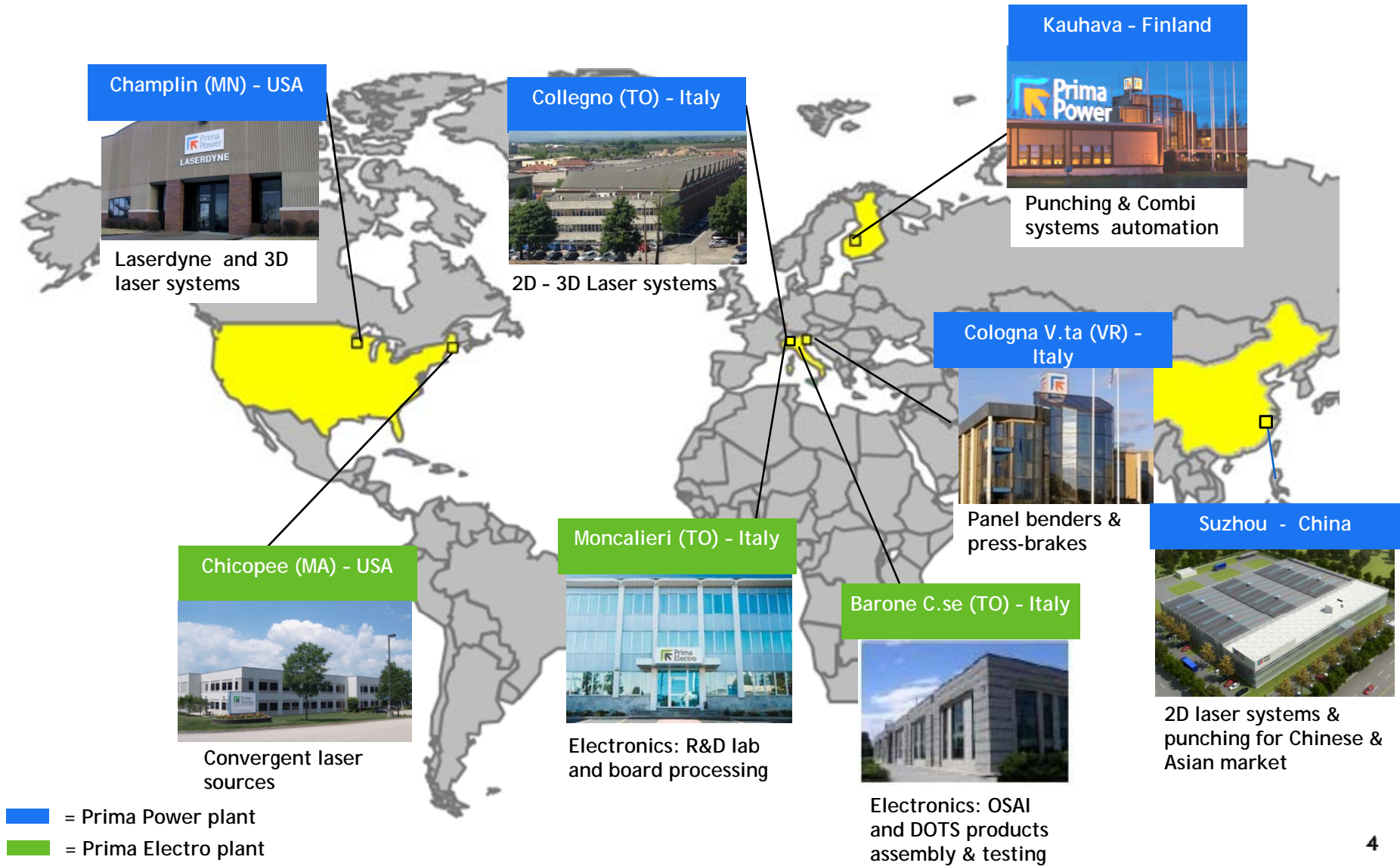


# A history of growth



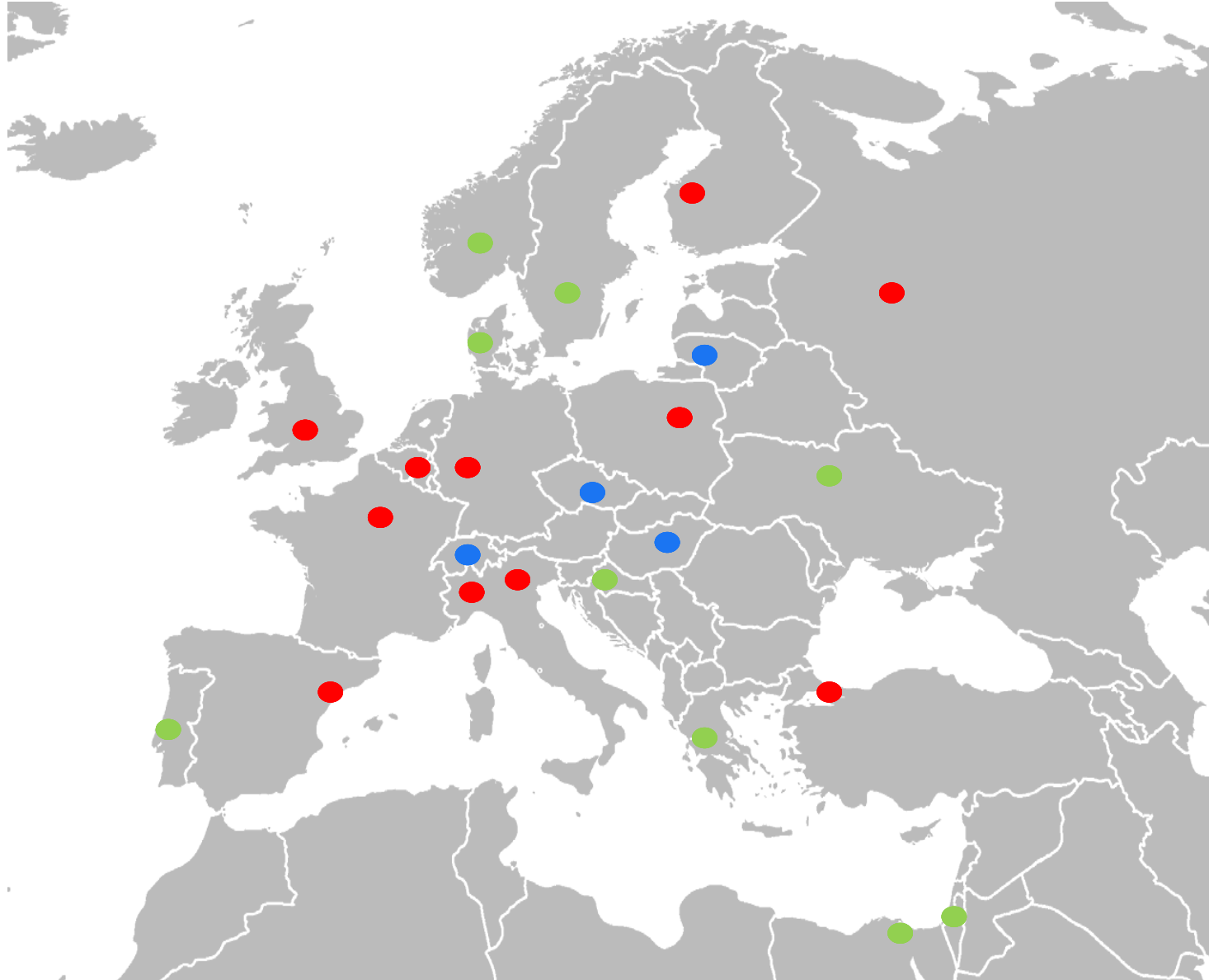


# Industrial footprint





# Sales & service footprint: EMEA



## RECENT OPENINGS:

### RUSSIA

Sales 2013	Sales 2012
22.494 k€	22.700 k€

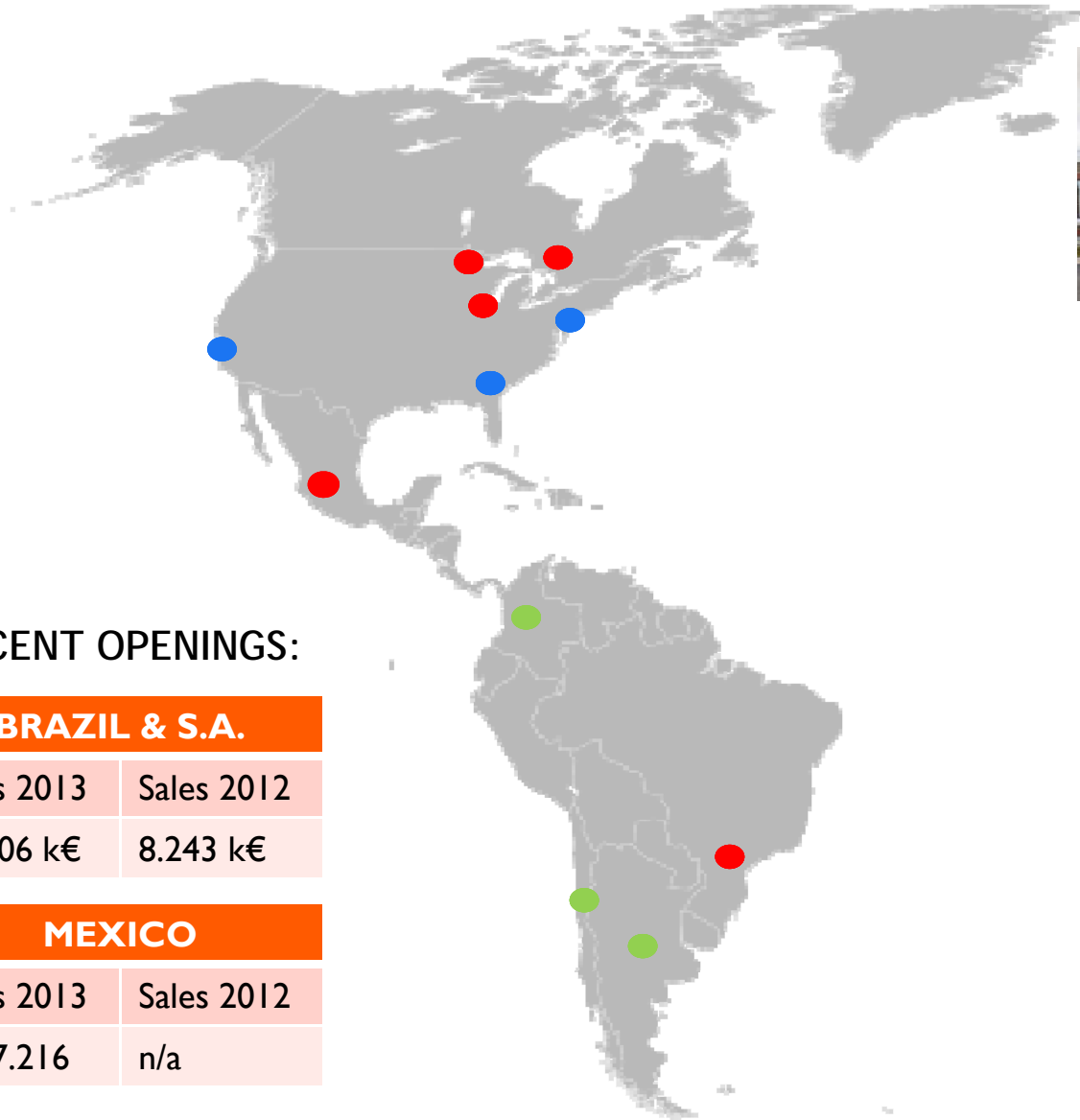
### TURKEY

Sales 2013	Sales 2012
9.875 k€	7.295 k€

- = subsidiary
- = branch office
- = distributor



# Sales & service footprint: AMERICAS



Prima Power North America -  
Arlington Heights (IL) - USA



Prima Power North America -  
Showroom

## RECENT OPENINGS:

### BRAZIL & S.A.

Sales 2013	Sales 2012
10.606 k€	8.243 k€

### MEXICO

Sales 2013	Sales 2012
K€ 7.216	n/a

- = subsidiary
- = branch office
- = distributor



# Sales & service footprint: APAC

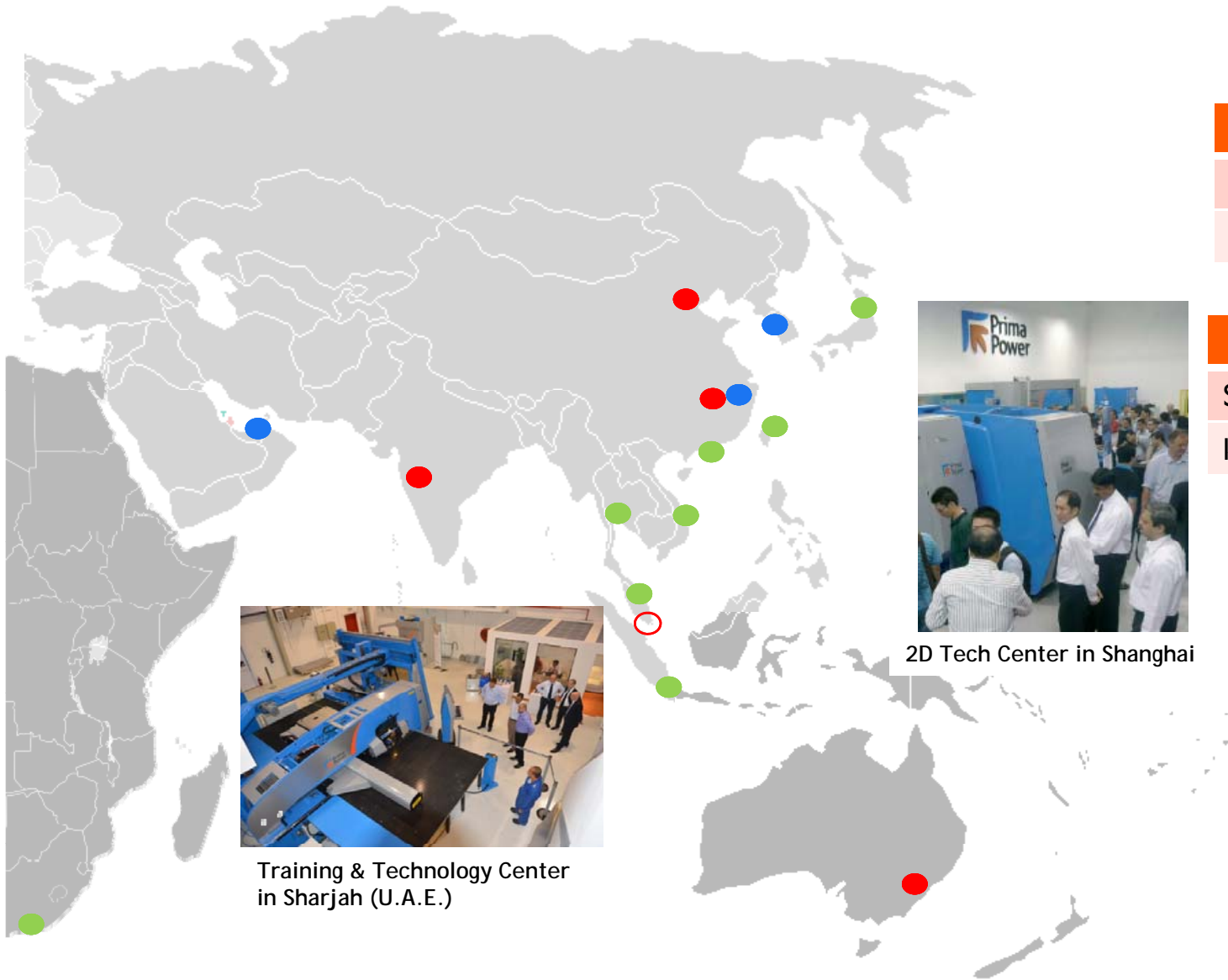
## RECENT OPENINGS:

### AUSTRALIA & N.Z.

Sales 2013	Sales 2012
k€ 2.361	k€ 2.666

### INDIA

Sales 2013	Sales 2012
k€ 3.704	k€ 2.678



Training & Technology Center in Sharjah (U.A.E.)



2D Tech Center in Shanghai

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

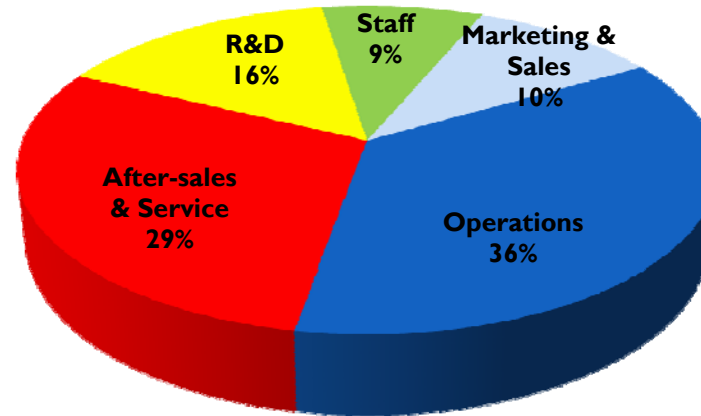


# Our People

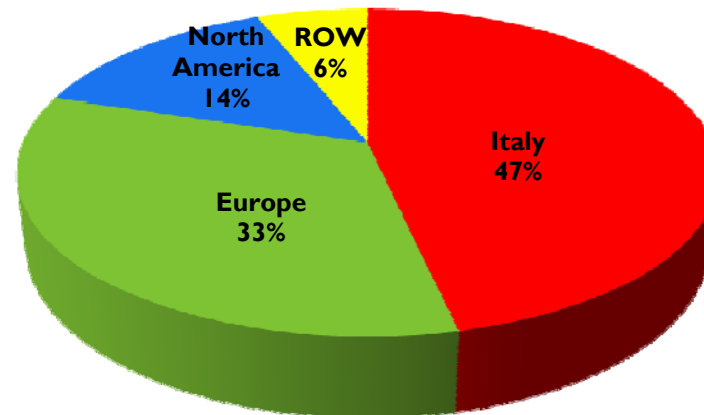
1,530 Employees worldwide



Breakdown by function at 31/12/2013



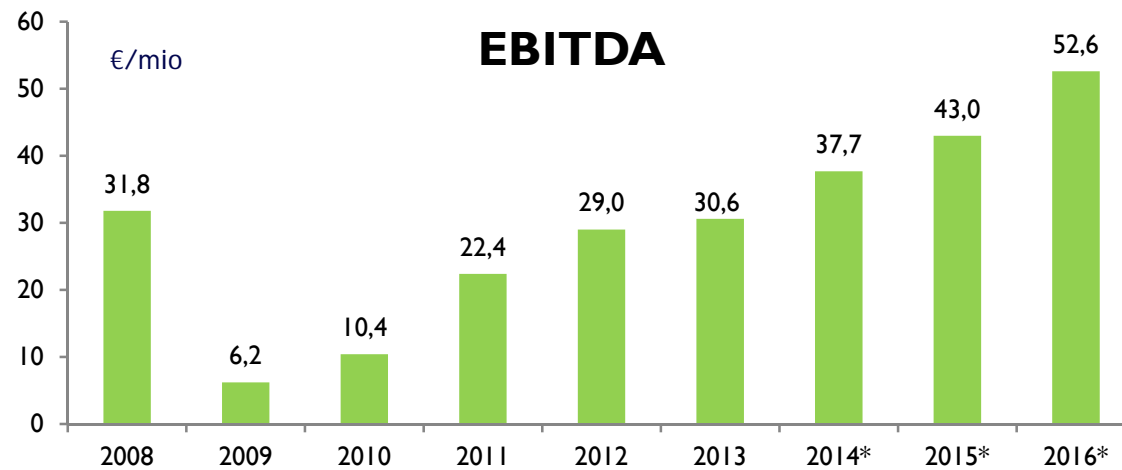
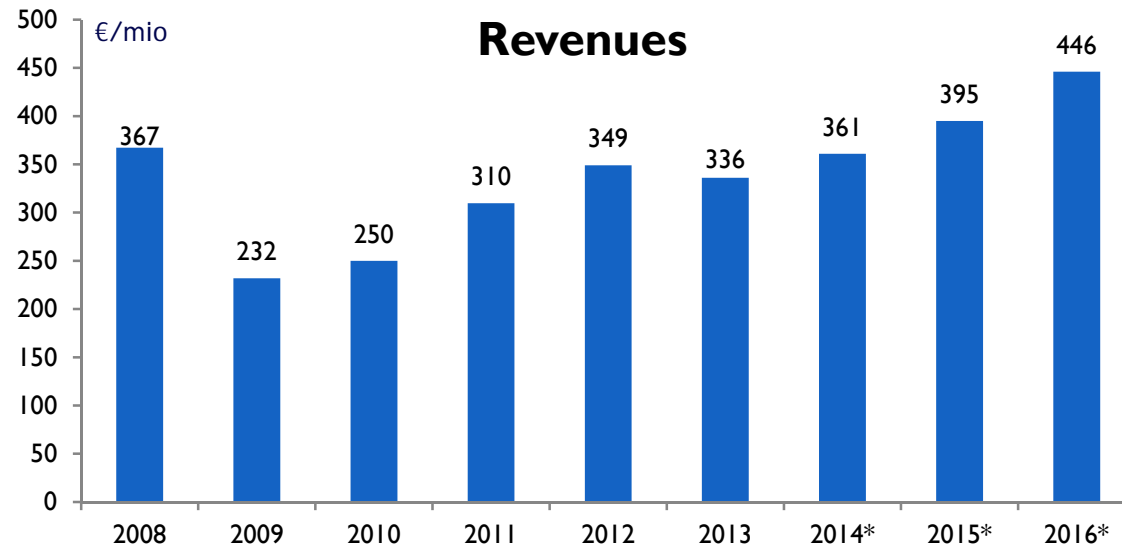
Breakdown by Geography 31/12/2013







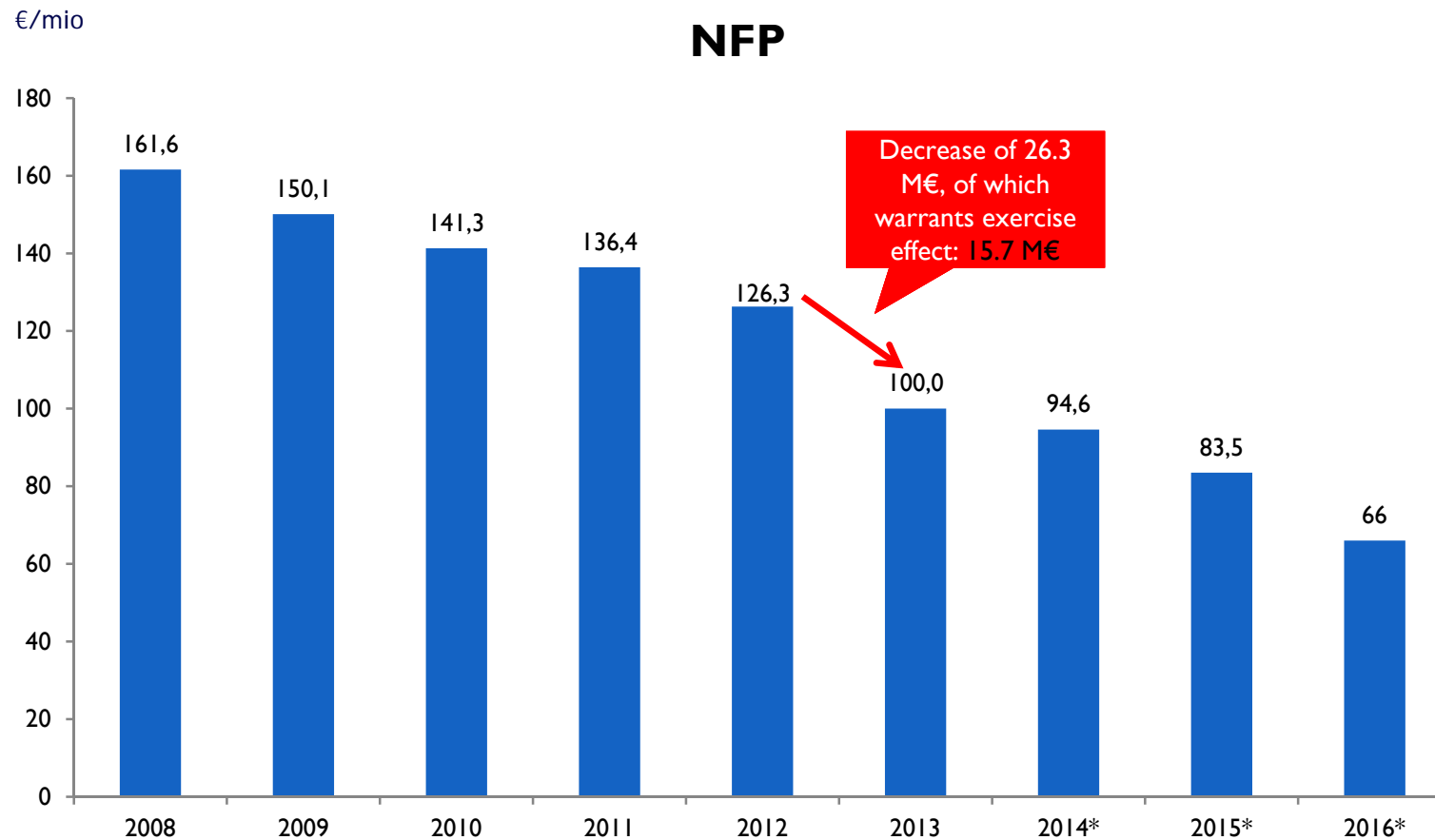
# Economic trends



\* = according to analysts' consensus :  **BANCA IMI**  **Banca Akros**  **UBI Banca**



# Net financial position trend



\* = according to analysts' consensus :



BANCA IMI



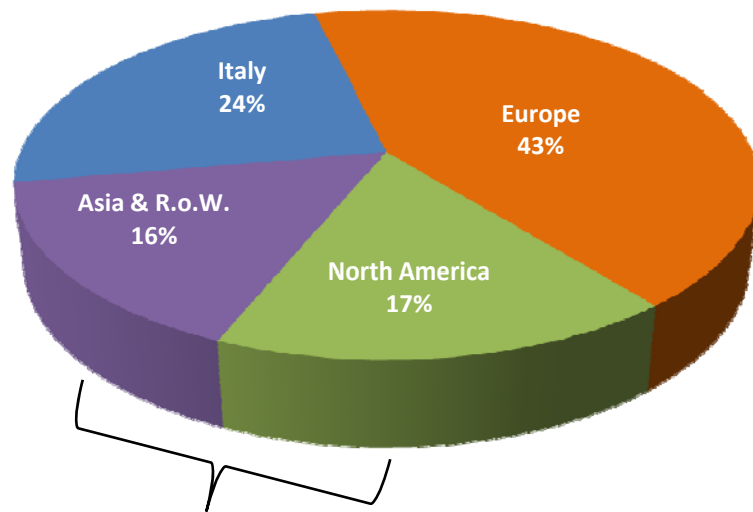
Banca



# Geographic trends

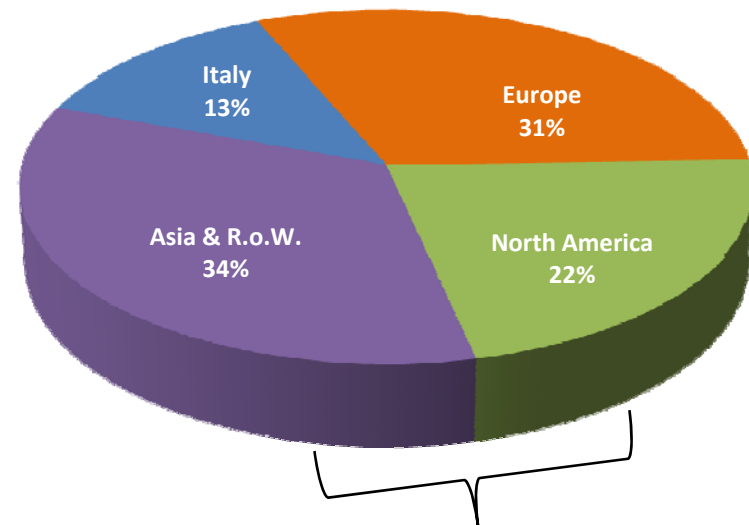
## Revenues breakdown

2008



Extra-Europe: 33%

31/12/2013



Extra-Europe: 56%



# Reference markets

## AUTOMOTIVE



## YELLOW GOODS & TRAILERS



## AEROSPACE & ENERGY



## WHITE GOODS & HVAC



## ELECTRICAL CABINETS/ TELLING & VENDING MACHINES

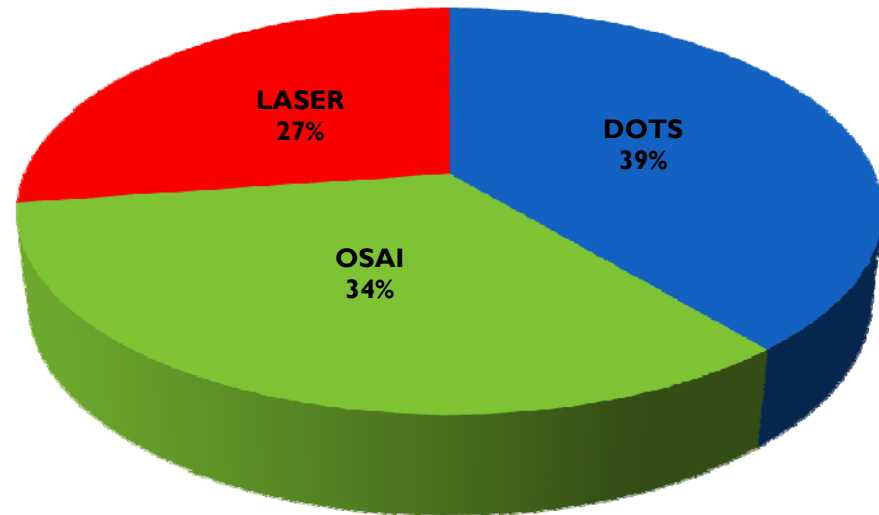
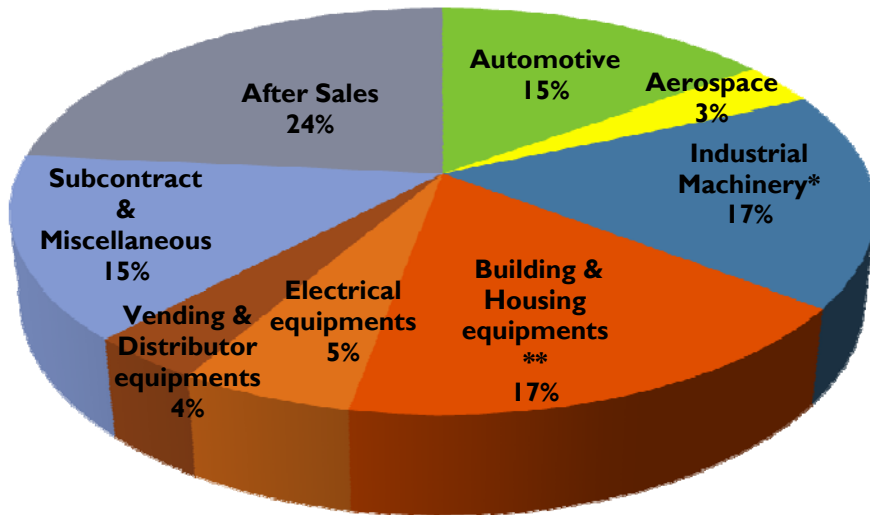




# Reference markets



Revenues at 31/12/13



\*= including agricultural, construction & industrial machinery

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



# Our Key Success Factors

A comprehensive product range

Internal development and manufacturing of technological components

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

A global sales network

Dedicated after sales services

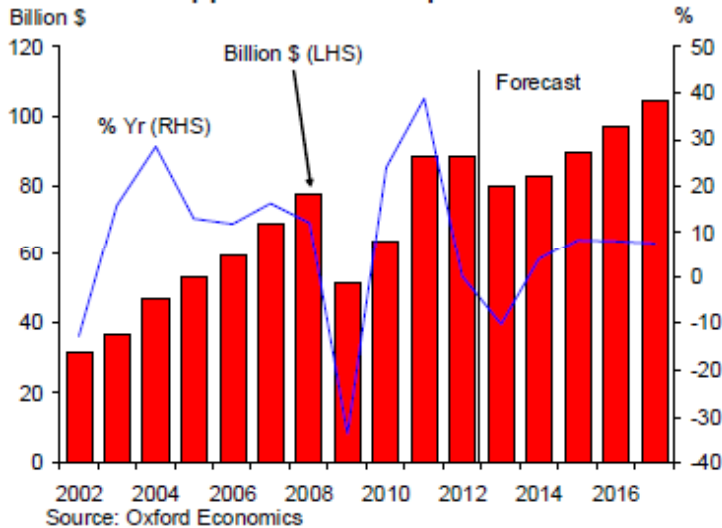
Brand awareness

Social & environmental responsibility

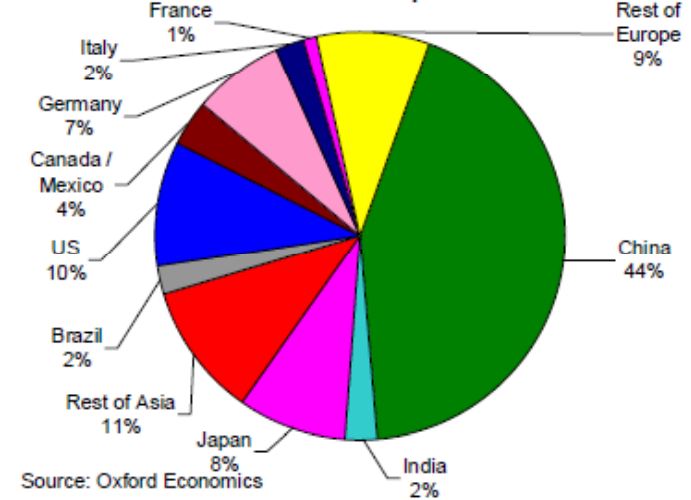


# Market trends: machine tool market - by Oxford Economics (Spring 2014)

**World: MT Apparent consumption**



**World: Machine tool consumption in 2012**

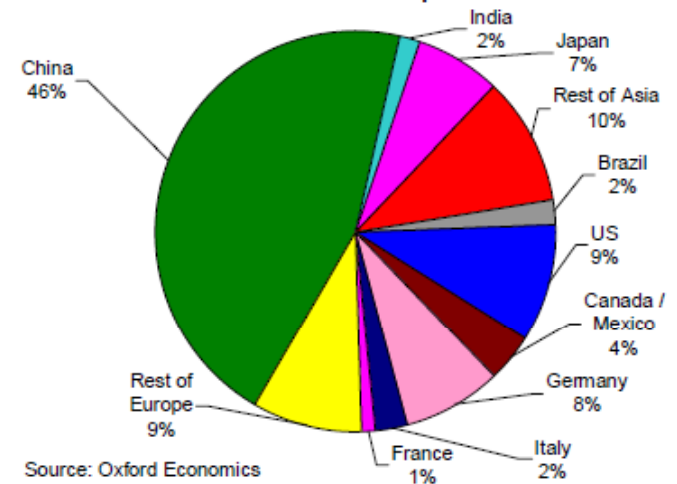


**Machine Tool Consumption - % change  
(local currency)**

	2012	2013	2014	2015	2016	2017
Europe	0.8	2.0	1.6	5.2	6.7	6.0
Americas	16.6	-3.8	7.4	5.4	2.9	2.6
Asia	-2.5	-14.0	3.6	10.3	10.3	9.6
<b>WORLD</b>	<b>0.6</b>	<b>-9.3</b>	<b>3.7</b>	<b>8.6</b>	<b>8.6</b>	<b>8.0</b>
<b>PRIMA INDUSTRIE</b>	<b>12.8</b>	<b>-3.9</b>				

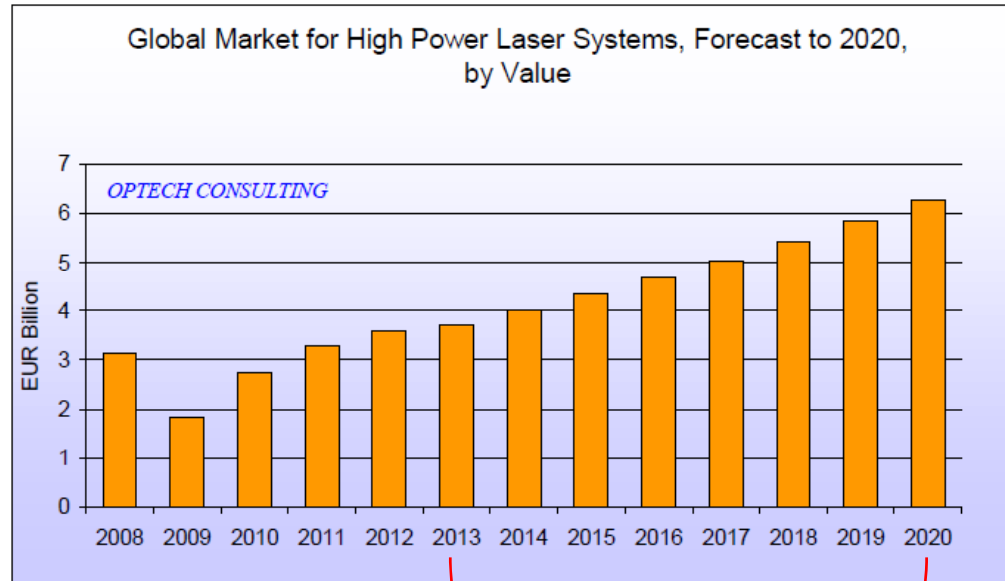
World average growth rate 2014-2017: approx. 7.2%

**World: Machine tool consumption in 2017**





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

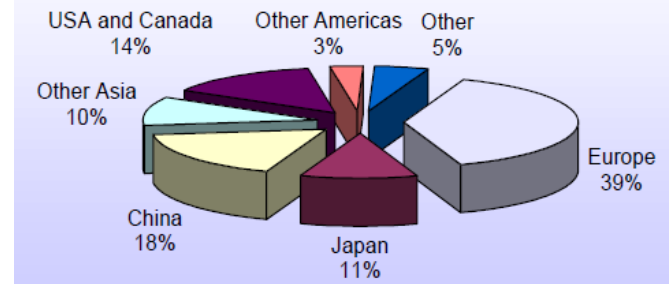


CAGR 2013 -2020: 7.8%  
(nominal growth rate)

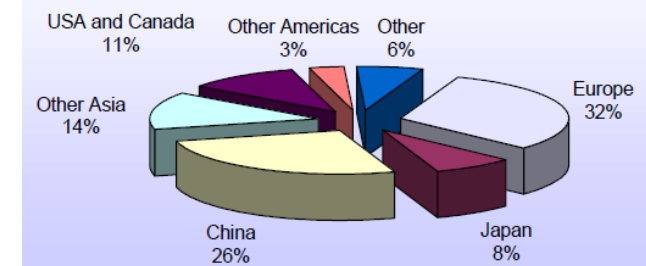
## Global market and forecast for high power laser systems by application (by value)

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:
  - 7.2% for machine tool world market (2014-2017)
  - 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 starting from 2014



# Prima Power strategy for the Chinese machine tool market

3D LASERS  
FOR AUTOMOTIVE & AEROSPACE



Rapido®



Laserdyne®



Optimo®

MID/LOW RANGE  
2D LASERS



SCLF-X1530F



SCLF-X1530D

## The "diamond" structure

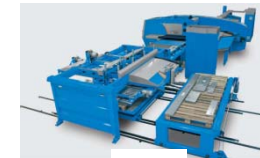


PRIMA POWER CHINA  
• BEIJING  
• SHANGHAI



LEEPORT LTD.  
• HONG KONG

SHEET METAL  
FABRICATION



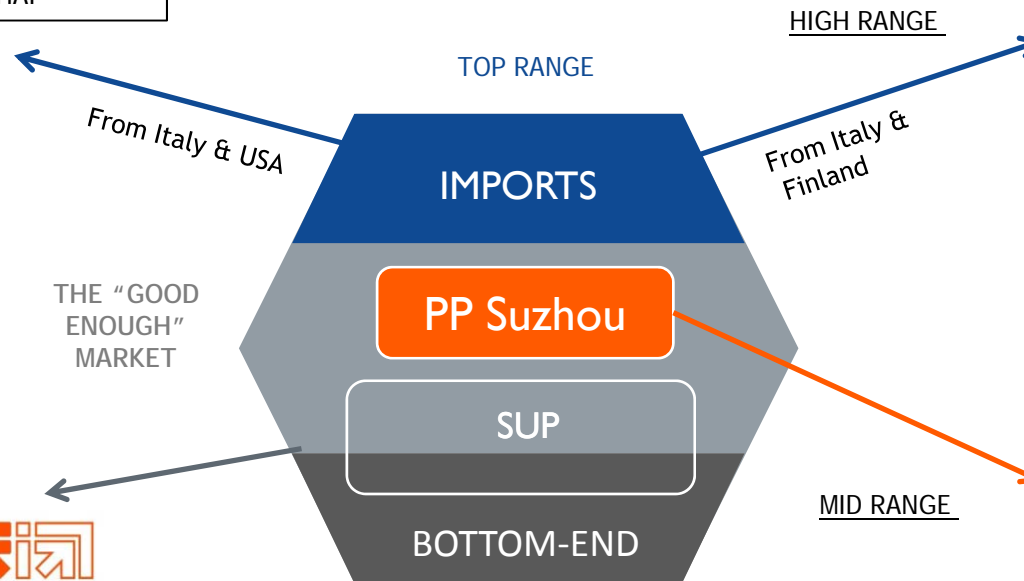
SGe



BCe



Systems



THE "GOOD ENOUGH" MARKET

PP Suzhou

SUP

BOTTOM-END

LOW END

MID RANGE



SHANGHAI UNITY PRIMA (SUP)  
(5% OWNED)  
• SHANGHAI



Platino®  
(CO2 & Fiber)



E5X  
E6X



# Prima Group in China - history

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

- 3D LASERS FOR AUTOMOTIVE & AEROSPACE



**Leeport**

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

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

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

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

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

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

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

- OSAI PRODUCTS (CNC)



**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)





# Prima Power Suzhou Manufacturing Unit

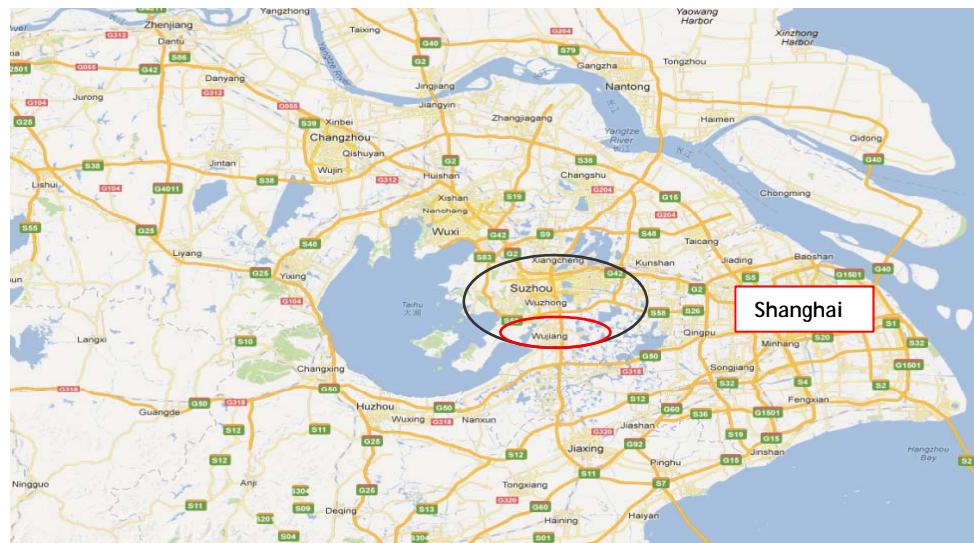
## First phase

- ~ 7,500 sqm of which:
  - ~ 4,700 sqm Plant
  - ~ 1,350 sqm Offices
  - ~ 1,350 sqm Showroom
  - ~ 100 sqm Auxiliaries

## Second phase

- ~ 4,000 sqm additional Plant

Scope of the plant	Manufacturing machines conceived to serve the Chinese and Asian markets
Expected number of employees	> 150 people
Expected revenues (within 2017)	> 55 mio € of which 41 mio € in China
Expected EBITDA (within 2017)	> 15%
Products to be manufactured by PP Suzhou	2D Laser machines <ul style="list-style-type: none"><li>• Platino CO2 and Fiber</li><li>• New "888"</li></ul> Punching machines: E5x, E6x Press Brakes





# Prima Power Suzhou Manufacturing Unit





# Financial statements as at Dec. 31, 2013

## BALANCE SHEET

(figures in Euro thousand)	31/12/2013	31/12/2012 (*)
Tangible assets	24,201	24,344
Intangible assets	151,572	151,395
Other non current assets	8,070	7,282
Non current assets held for sale	1,484	4,130
<b>NON CURRENT ASSETS</b>	<b>185,327</b>	<b>187,151</b>
Inventory	66,214	81,084
Trade receivables (net of down payments)	65,253	53,710
Trade payables	(68,118)	(72,404)
Other current assets	10,214	11,357
Other liabilities	(45,136)	(43,436)
Employee's severance indemnity	(7,732)	(7,629)
<b>NET WORKING CAPITAL</b>	<b>20,695</b>	<b>22,682</b>
<b>NET DEBT</b>	<b>99,961</b>	<b>126,279</b>
<b>NET EQUITY</b>	<b>106,061</b>	<b>83,554</b>

(\*) = Following the retroactive application as from 01/01/2013 of emended IAS 19, comparative figures for the year 2012 in financial statements, whereas necessary, have been restated in accordance with IAS 1.



# Financial statements as at Dec. 31, 2013

## PROFIT & LOSS

(figures in Euro thousand)	31/12/2013	31/12/2012
SALES	335,841	349,308
VALUE OF PRODUCTION	341,873	362,964
EBITDA	30,567	29,007
% on sales	9.1%	8.3%
EBIT	18,681	17,622
% on sales	5.6%	5.0%
EBT	8,842	9,046
% on sales	2.6%	2.6%
NET INCOME	5,358	5,307
% on sales	1.6%	1.5%



# Financial statements as at Jun.30, 2014

## BALANCE SHEET

(figures in Euro thousand)	30/06/2014	31/12/2013
Tangible assets	25,333	24,201
Intangible assets	153,337	151,572
Other non current assets	9,084	8,070
Non current assets held for sale	1,467	1,484
<b>NON CURRENT ASSETS</b>	<b>189,221</b>	<b>185,327</b>
Inventory	89,290	66,214
Trade receivables (net of down payments)	53,102	65,253
Trade payables	(80,110)	(68,118)
Other current assets	15,385	10,214
Other liabilities	(46,088)	(45,136)
Employee's severance indemnity	(7,776)	(7,732)
<b>NET WORKING CAPITAL</b>	<b>23,803</b>	<b>20,695</b>
<b>NET DEBT</b>	<b>102,209</b>	<b>99,961</b>
<b>NET EQUITY</b>	<b>110,815</b>	<b>106,061</b>





# Financial statements as at Jun.30, 2014

## PROFIT & LOSS

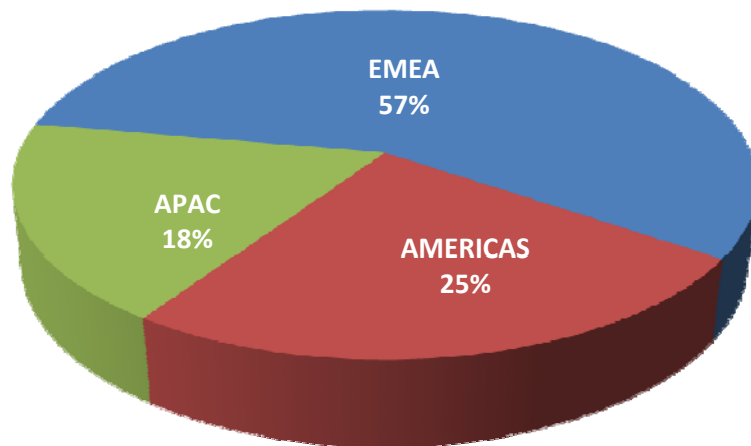
(figures in Euro thousand)	30/06/2014	30/06/2013
SALES	154,210	161,945
VALUE OF PRODUCTION	182,075	172,867
EBITDA	14,828	11,354
% on sales	9.6%	7.0%
EBIT	9,291	5,433
% on sales	6.0%	3.4%
EBT	5,741	579
% on sales	3.7%	0.4%
NET INCOME	3,514	(221)
% on sales	2.3%	(0.1)%
NET INCOME - Group	3,701	(221)
% on sales	2.4%	(0.1)%



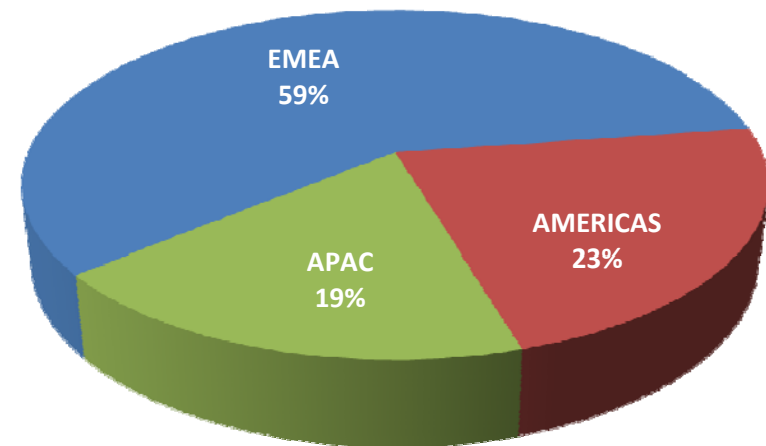
# Geographic trends

## Revenues breakdown

30/06/2013



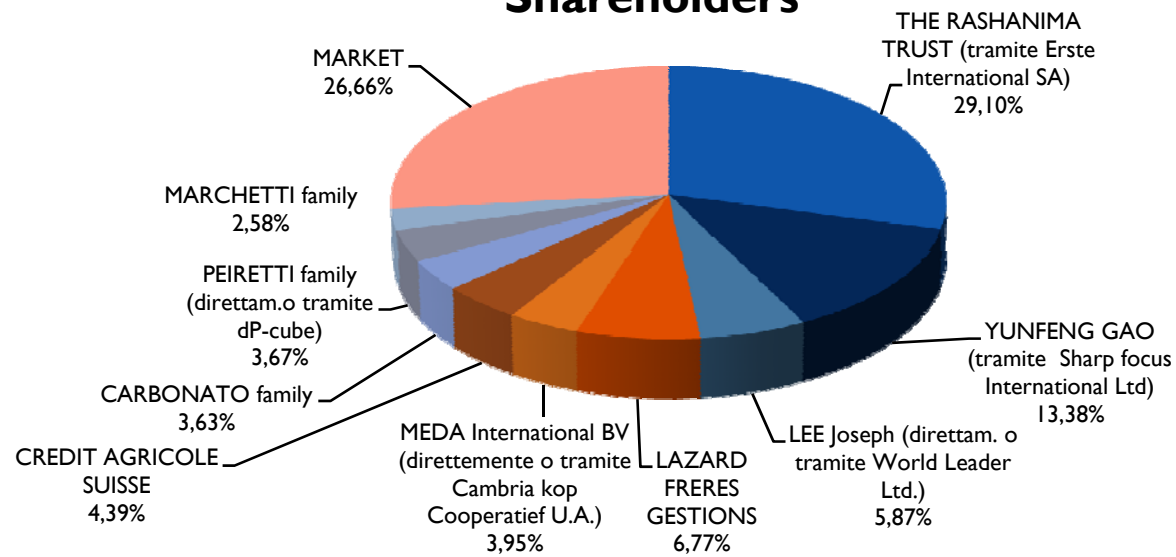
30/06/2014





# Stock price trend & shareholders

## Shareholders



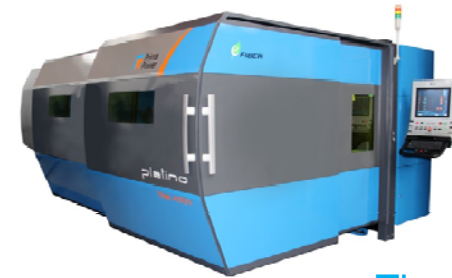


# Prima Power: product range

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



The Punch



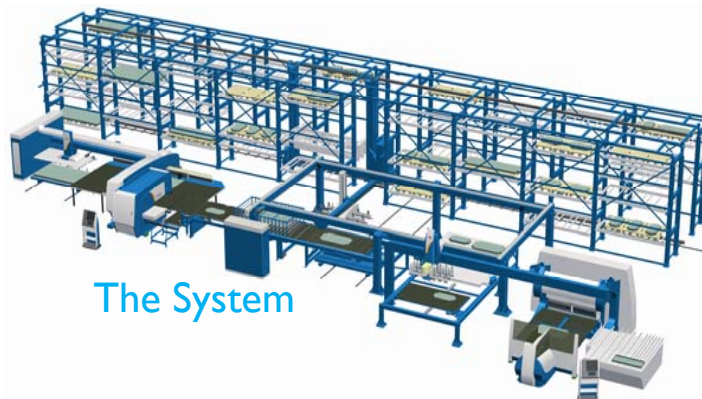
The Laser



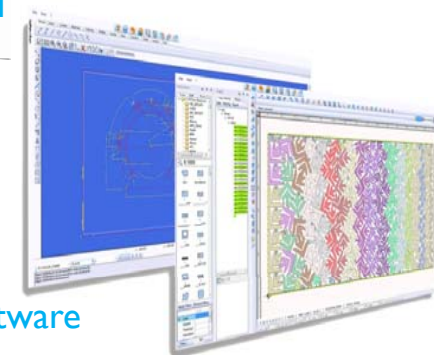
The Bend



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

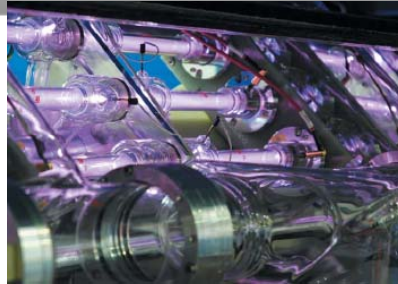
Dedicated to People Flow  
KONE  
Schindler  
OTIS  
infrico  
BRP  
IDE Technologies It.d.  
SIGNATURE  
ABLOY  
kaizen signs  
ØGLÆND SYSTEM  
DLoco  
大連機車

## 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 LUGHESE s.r.l.  
dinamic  
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