



**PRIMA
INDUSTRIE**

Company Roadshow

Paris – November 22nd, 2017



MEDIOBANCA



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



LASER MACHINES



SHEET METAL
MACHINERY

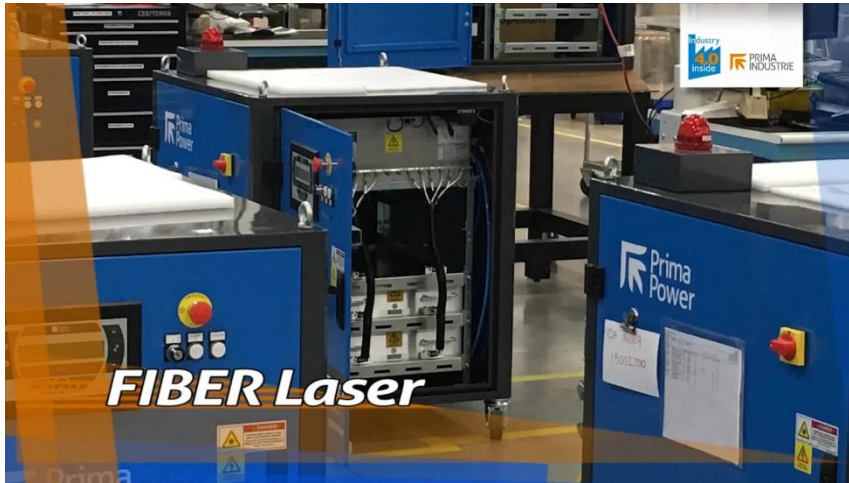
Prima
Power



Prima Group business sectors: Prima Electro



ELECTRONICS



convergent

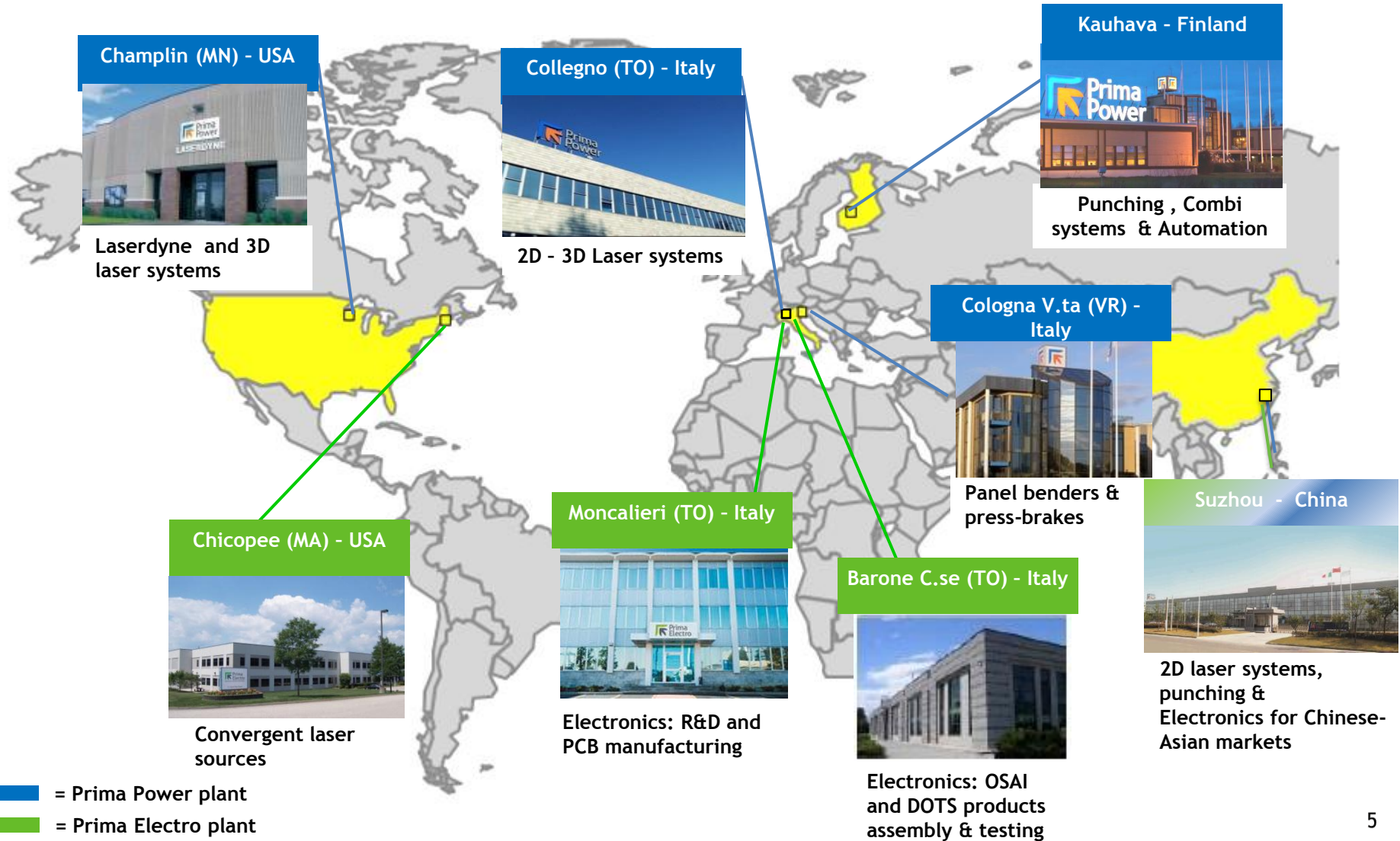
LASER SOURCES

Prima
Electro



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

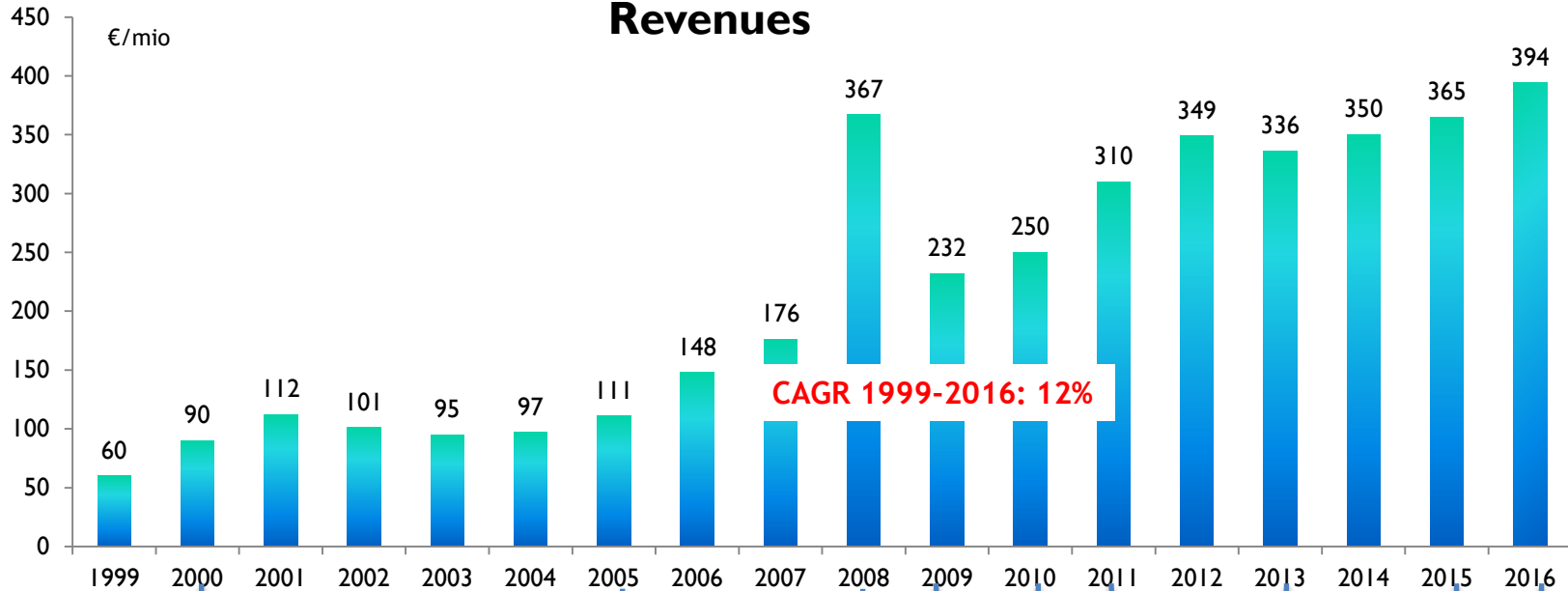
subsidaries or branch offices

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

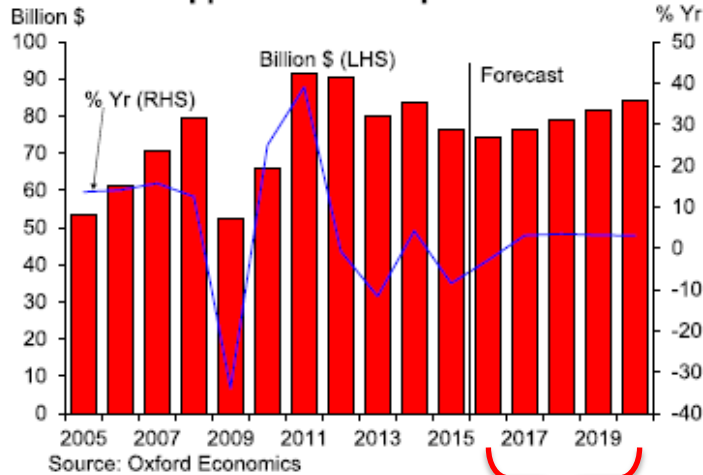
2016
• New HQTC (Turin)



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

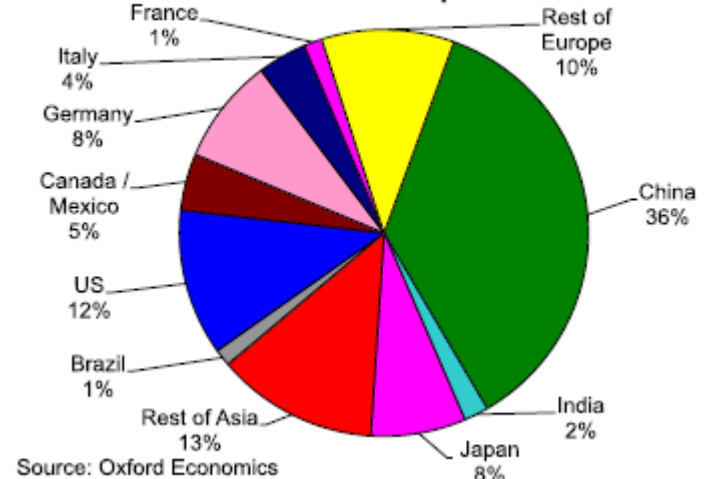


World: MT Apparent consumption

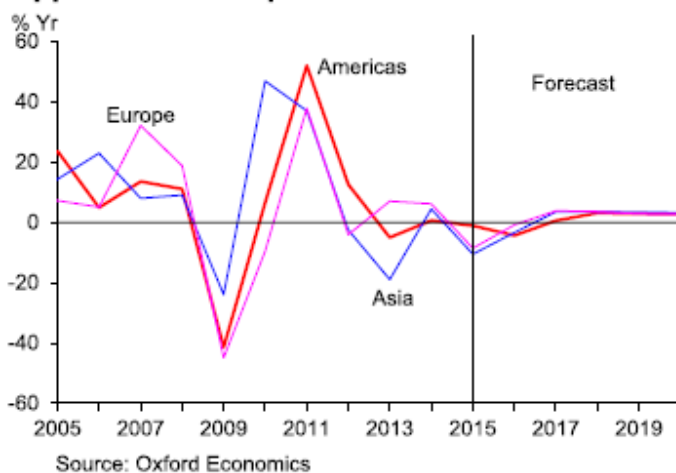


CAGR 2016 - 2020: $\approx 3\%$

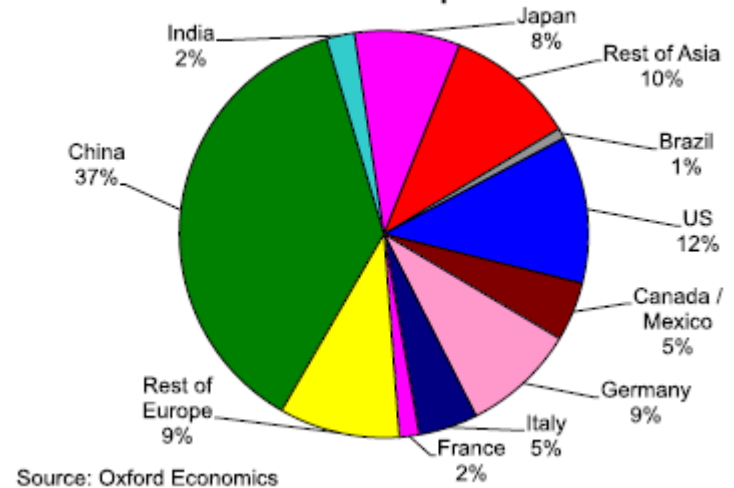
World: Machine tool consumption in 2015



Apparent consumption



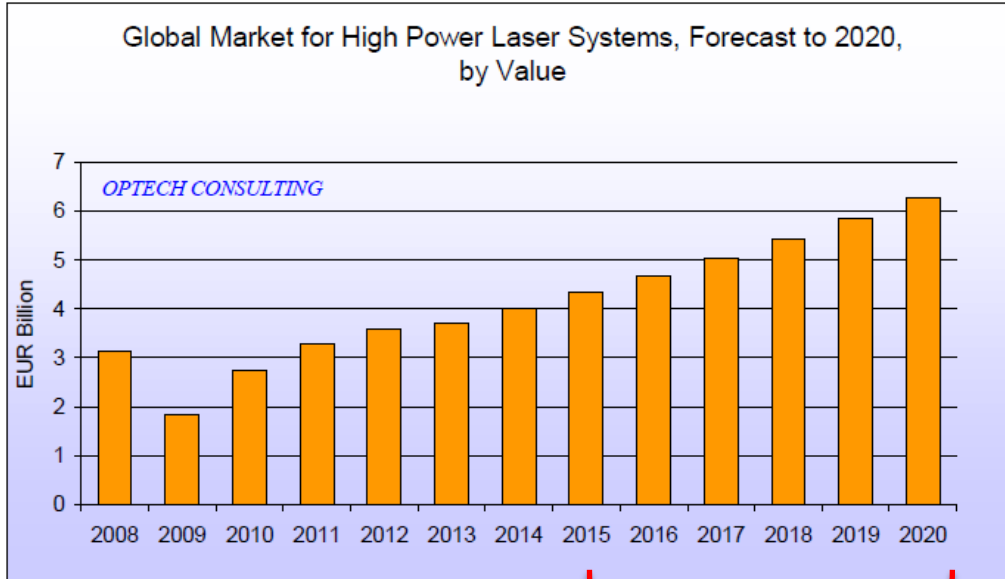
World: Machine tool consumption in 2020



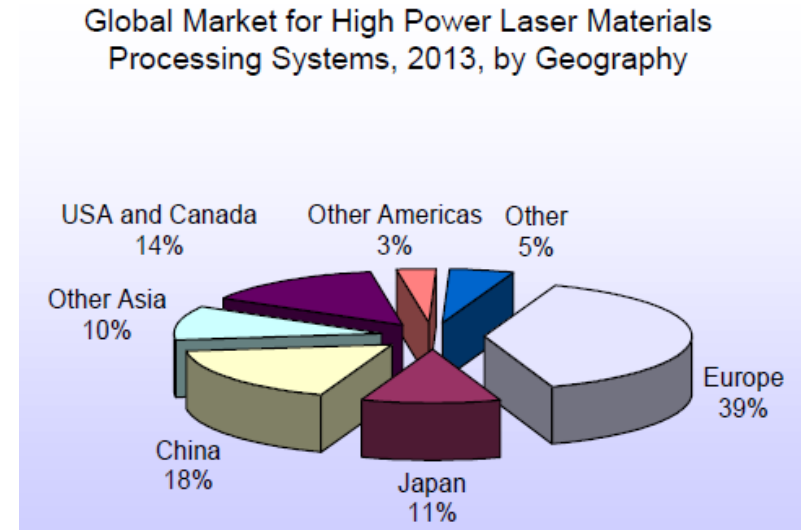


Market trends: laser systems market - by Optech Consulting (last available Jan. 2014)

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



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

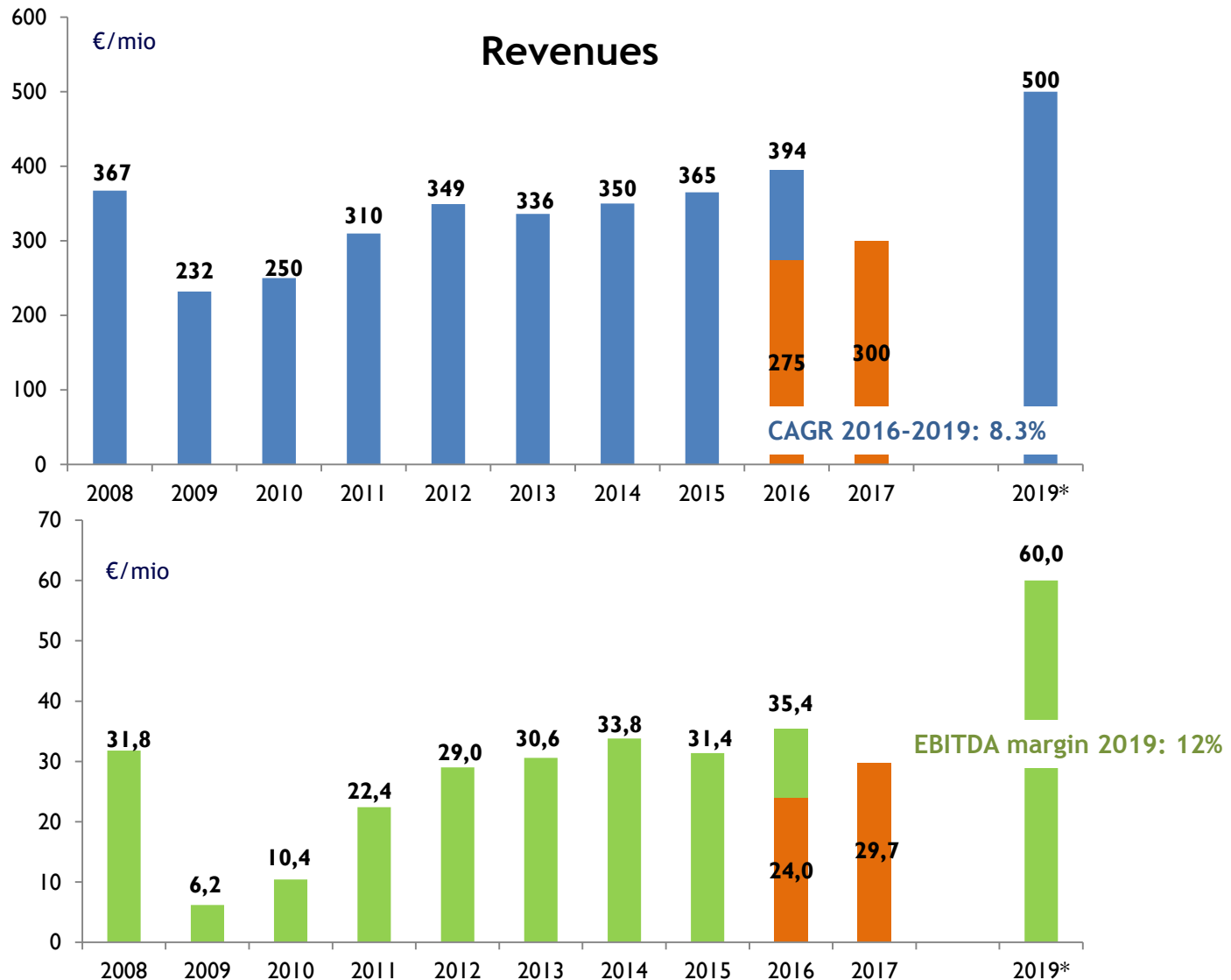
EBITDA DRIVERS



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



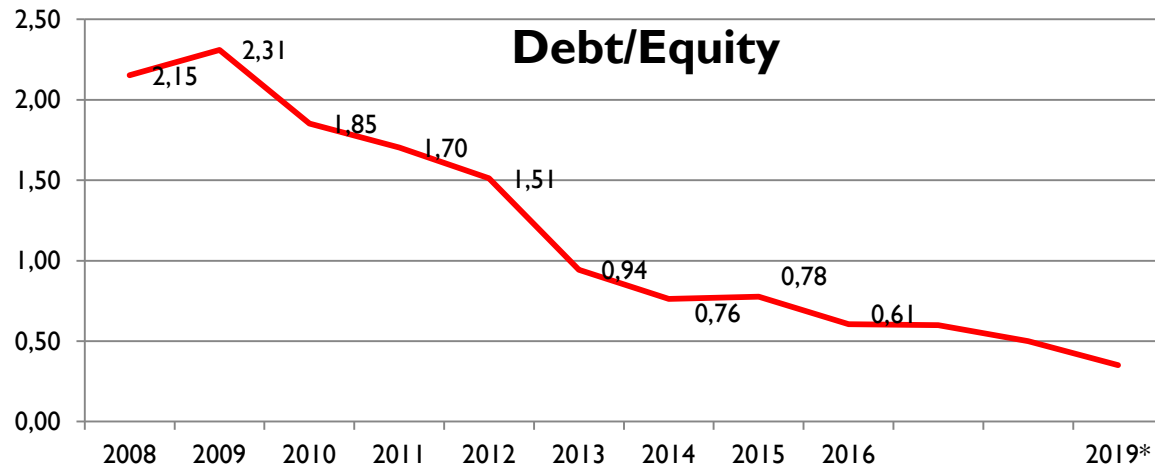
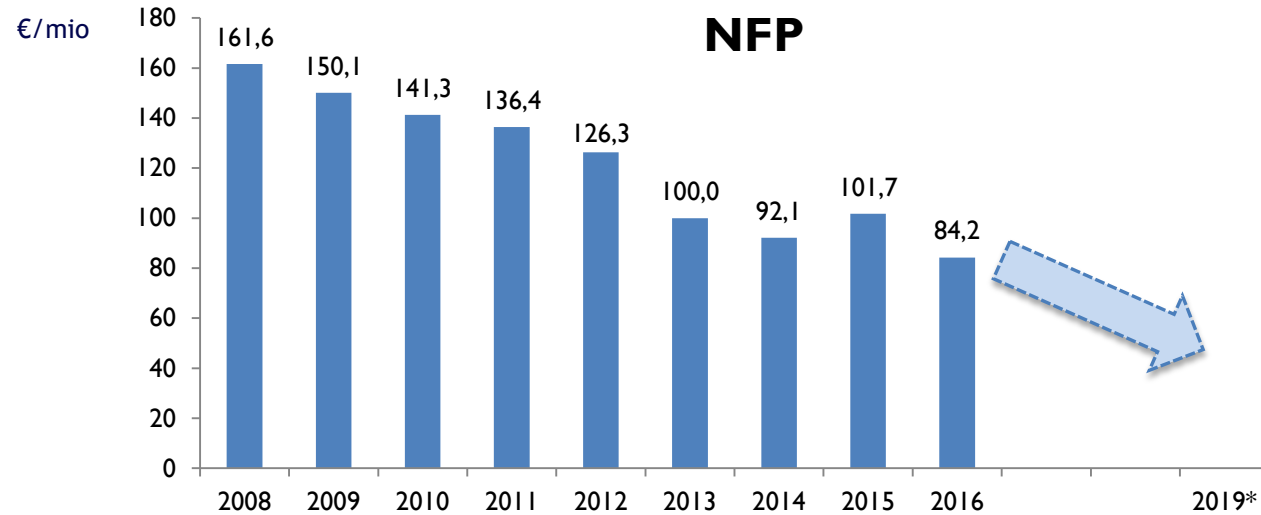
Economic trends



* = according to Company's business plan



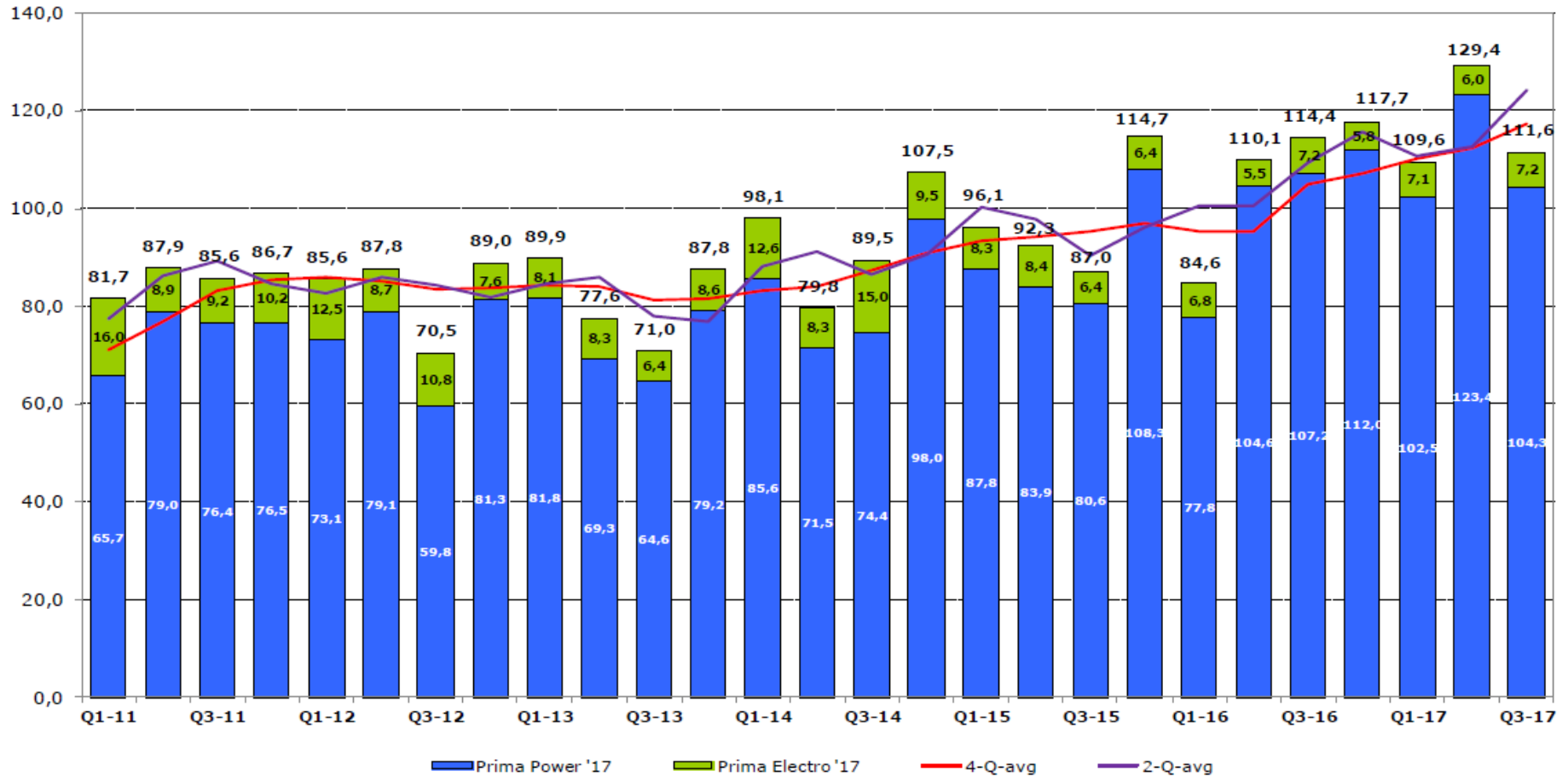
Net financial position trend



* = according to Company's business plan



Quarterly order intake since 2011





Analysts' consensus

	2017				2018				2019			
	B. IMI	B. Akros	Mediobanca	Consensus	B. IMI	B. Akros	Mediobanca	Consensus	B. IMI	B. Akros	Mediobanca	Consensus
	40,4	40,0	40,8		40,4	40,0	40,8		40,4	40,0	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	48,0	45,3	45,4	53,1	57	52,2	54,1	60	65,4	61,1	62,2
EBIT	27,5	31	28,5	29,0	37,1	41	34,3	37,5	44	49,9	42,1	45,3
NET RESULT	18,5	19	18,7	18,7	23,68	27	24	24,9	29,1	33,9	29,5	30,8
NFP	-76,8	-78	-76,3	-77,0	-58,7	-63	-66,3	-62,7	-36,3	-40,4	-42,6	-39,8

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

 **BANCA IMI** Released November 8, 2017

 **Banca Akros** Released November 6, 2017
Gruppo Bipiemme

 **MEDIOBANCA** Released September 11, 2017

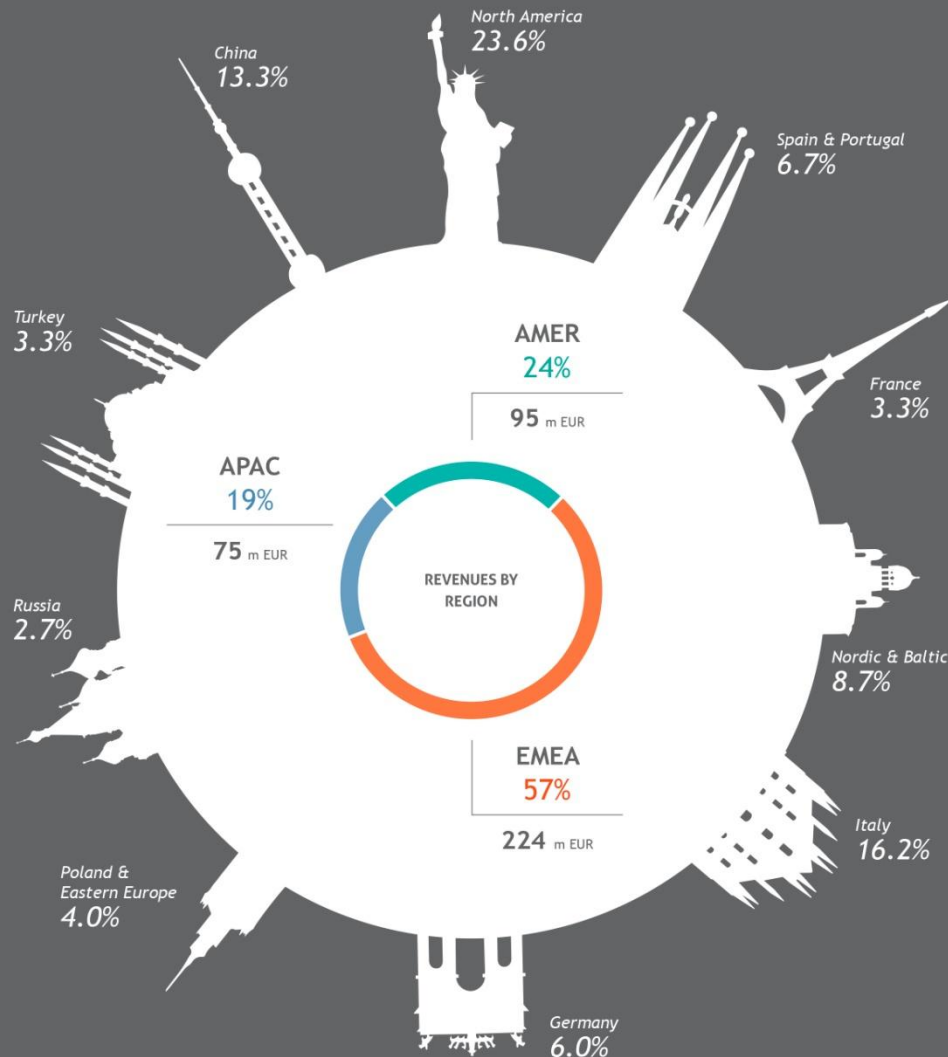


Machine revenues by application



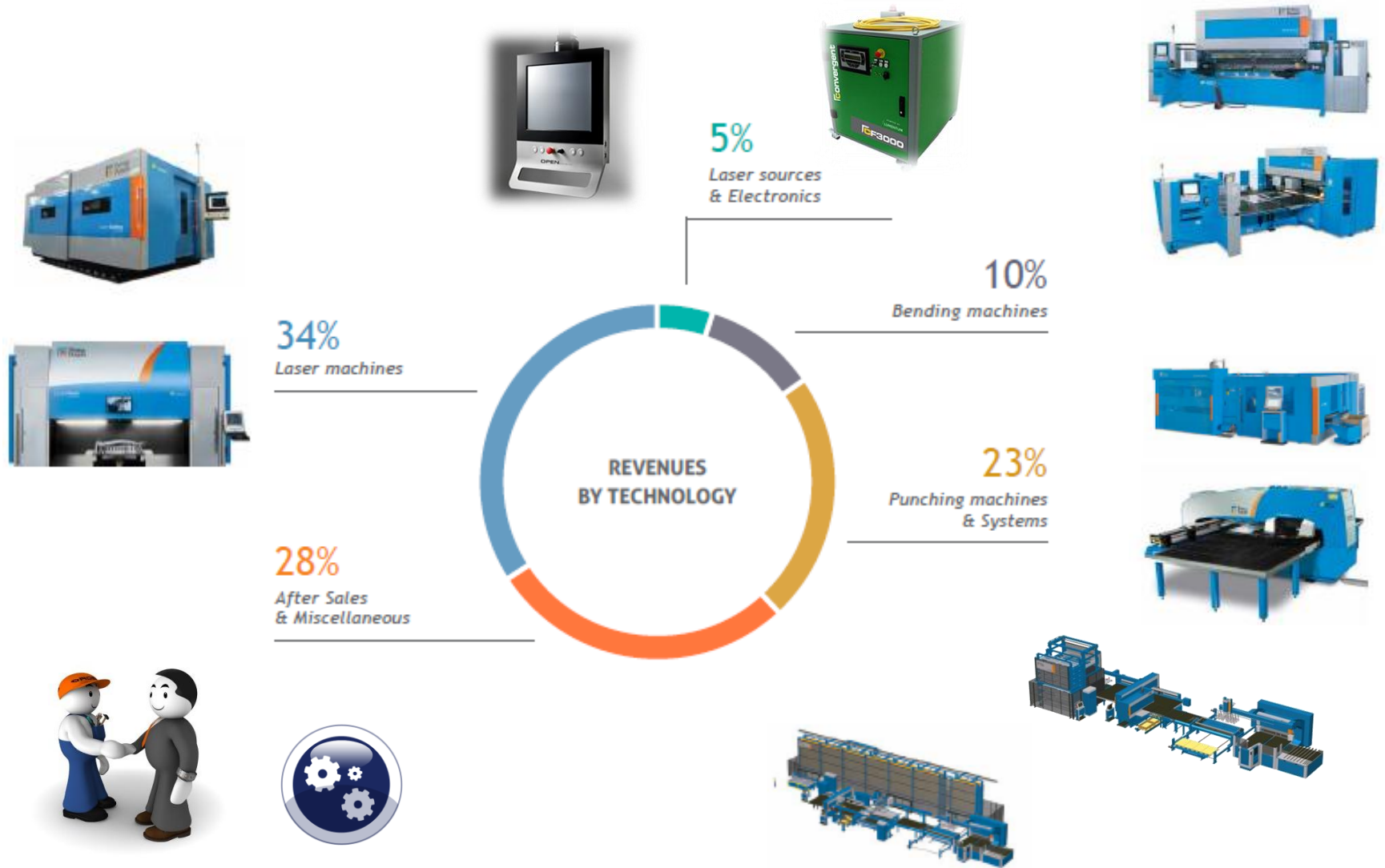


Revenues by geography





Revenues by technology





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
- Go Further FCA
- 东风汽车公司 DONGFENG MOTOR CORPORATION
- TATA
- ITALDESIGN
- Gonvarri Steel Services
- MAGNA
- SUNGWOOHITECH
- tiberina
- EDAG
- CECOMP
- Metalsa Quality as a way of life
- GRUPO DOVER SISTEMA DE TROQUELES
- GESTAMP AUTOMOCION
- 吃豐集團 YI FENG GROUP
- SALZGITTERAG Stahl und Technologie
- ThyssenKrupp
- COMAU
- ORAN



Logos of aerospace and industrial customers:

- AIRBUS
- GE Aviation
- ACE PRECISION
- LOCKHEED MARTIN
- BOEING
- SAFRAN Sncma
- Honeywell
- Kale Pratt & Whitney
- Pratt & Whitney A United Technologies Company
- WSK „PZL-Rzeszów” S.A.
- TurboCare
- Solar Turbines A Caterpillar Company
- mitsubishi
- DONCASTERS
- NORTHROP GRUMMAN
- ABB HITACHI Inspire the Next
- STEMAC GRUPOS GERADORES
- GE Oil & Gas
- SIEMENS
- HYUNDAI
- EMERSON
- Liebert.
- KAWASAKI
- AREVA
- Joint Stock Company "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

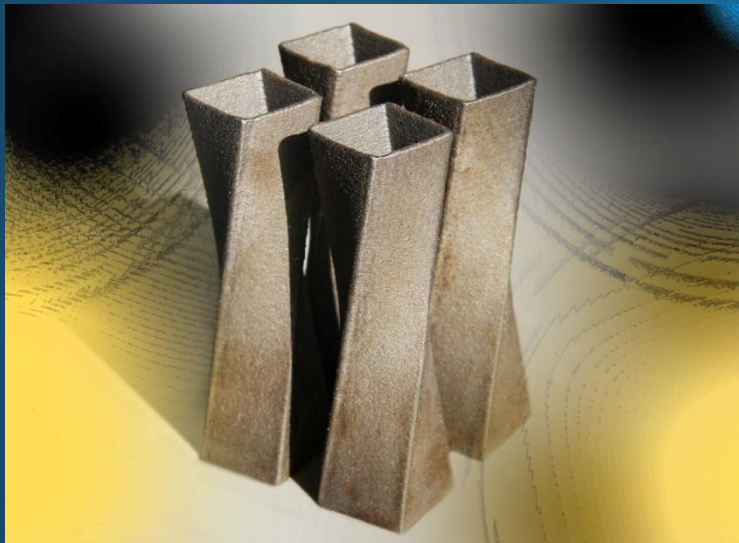
Data-driven machine diagnostics and predictive maintenance services. Production performance analysis, monitoring of machines status and condition.



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 Sep. 30, 2017: Balance sheet

Values in Euro	30/09/2017	31/12/2016	Values in Euro	30/09/2017	31/12/2016
Property, plant and equipment	34.994.884	35.281.369	Capital stock	26.208.185	26.208.185
Intangible assets	151.091.012	155.713.399	Legal reserve	4.652.958	4.565.082
Investments accounted for using the equity method	-	1.009.341	Other reserves	69.292.933	70.738.752
Other investments	359.551	139.051	Currency translation reserve	1.837.052	6.848.598
Non current financial assets	9.578	9.578	Retained earnings	27.621.702	19.276.926
Deferred tax assets	12.511.408	11.555.324	Net result	12.060.789	10.102.304
NON CURRENT ASSETS	198.966.433	203.708.062	<i>Stockholders' equity of the Group</i>	141.673.619	137.739.847
Inventories	128.588.820	98.561.165	<i>Minority interest</i>	1.197.109	1.212.065
Trade receivables	98.674.948	88.376.748	STOCKHOLDERS' EQUITY	142.870.728	138.951.912
Other receivables	8.401.335	6.425.617	Interest-bearing loans and borrowings	101.588.205	111.675.762
Current tax receivables	7.262.408	5.053.888	Employee benefit liabilities	7.991.437	8.100.353
Derivatives	376.843	-	Deferred tax liabilities	6.585.291	8.340.653
Financial assets	791.509	791.509	Provisions	160.545	162.684
Cash and cash equivalents	43.319.846	62.679.901	Derivatives	64.371	220.866
CURRENT ASSETS	287.415.708	261.888.828	NON CURRENT LIABILITIES	116.389.849	128.500.318
Assets held for sale	1.152.107	318.812	Trade payables	88.842.443	88.448.383
TOTAL ASSETS	487.534.247	465.915.702	Advance payments	45.802.306	26.029.170
			Other payables	23.568.980	22.076.067
			Interest-bearing loans and borrowings	45.957.521	34.894.444
			Current tax payables	3.599.329	7.695.264
			Provisions	20.503.092	18.424.370
			Derivatives	-	895.774
			CURRENT LIABILITIES	228.273.670	198.463.472
			TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	487.534.247	465.915.702



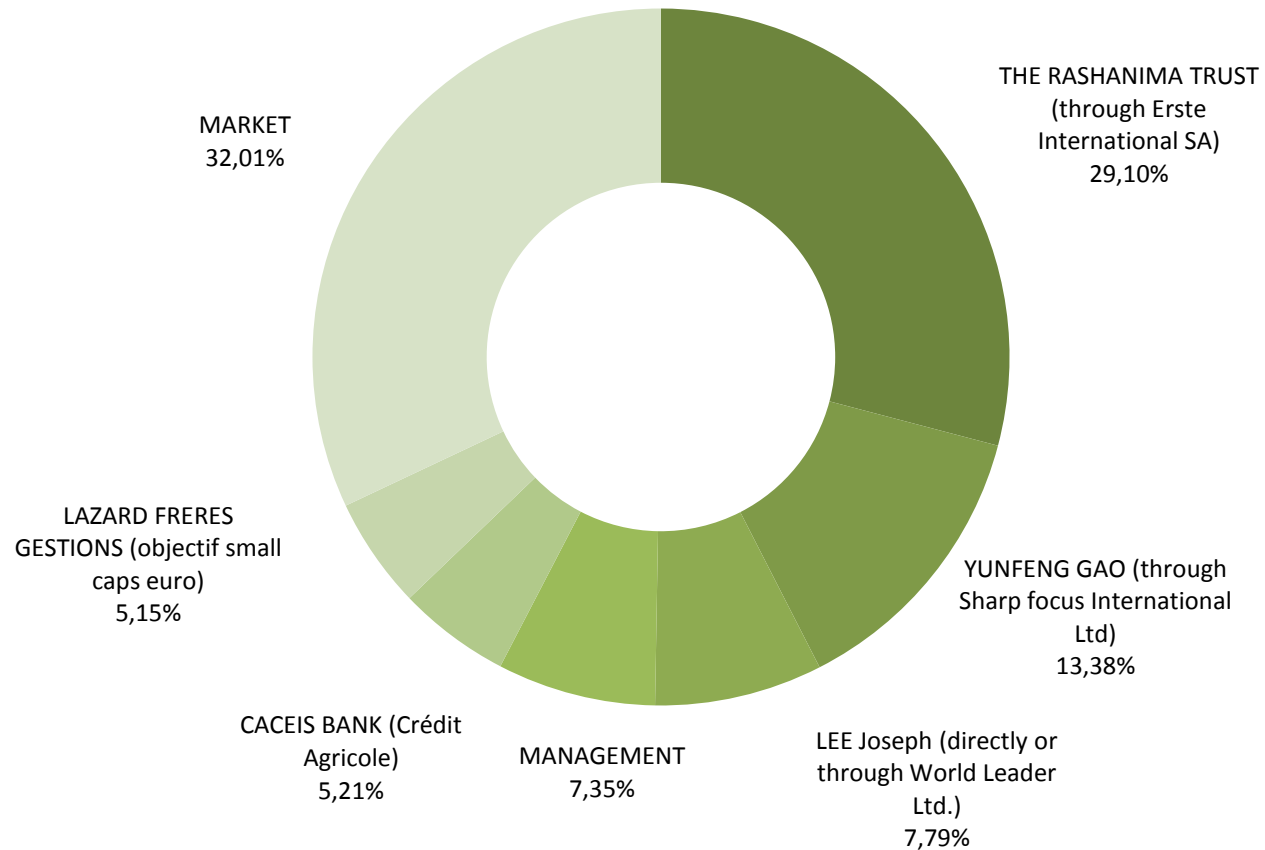
Financial statements as at Sep. 30, 2017:

P & L

Values in Euro	30/09/2017	30/09/2016
Net revenues	300.305.631	274.536.038
Cost of goods sold	(223.685.525)	(206.943.702)
GROSS MARGIN	76.620.105	67.592.336
Research and Development costs	(9.631.959)	(8.133.463)
Sales and marketing expenses	(20.373.590)	(19.239.112)
General and administrative expenses	(16.962.212)	(16.198.245)
OPERATING GROSS MARGIN (EBITDA)	29.652.345	24.021.516
Impairment - Write-off	(23.299)	(127.409)
Depreciation	(12.597.081)	(11.578.280)
OPERATING PROFIT (EBIT)	17.031.966	12.315.827
Financial income	2.674.159	650.989
Financial expenses	(4.976.185)	(5.382.625)
Net exchange differences	(2.484.646)	(693.602)
Net result of investments accounted for using the equity method	-	332.287
Net result of other investments	1.940.698	-
RESULT BEFORE TAXES (EBT)	14.185.991	7.222.876
Taxes	(2.055.365)	(1.598.279)
NET RESULT	12.130.626	5.624.597
- <i>Attributable to Group shareholders</i>	12.060.789	5.584.130
- <i>Attributable to minority shareholders</i>	69.838	40.467
RESULT PER SHARE - BASIC (in euro)	1,15	0,53
RESULT PER SHARE - DILUTED (in euro)	1,15	0,53



Shareholding structure



Source: latest dividend payment (May 2017)



THANK YOU !

