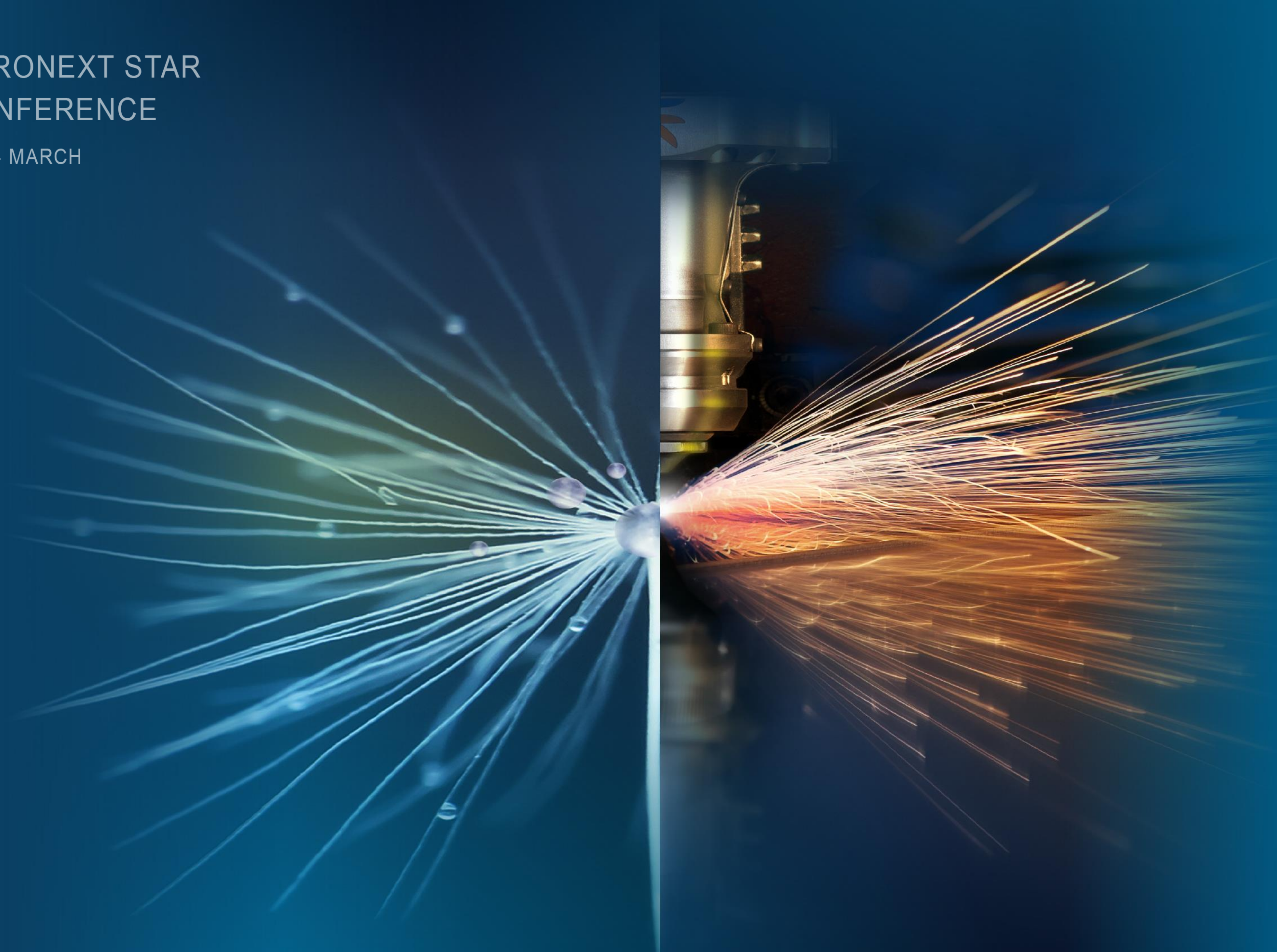




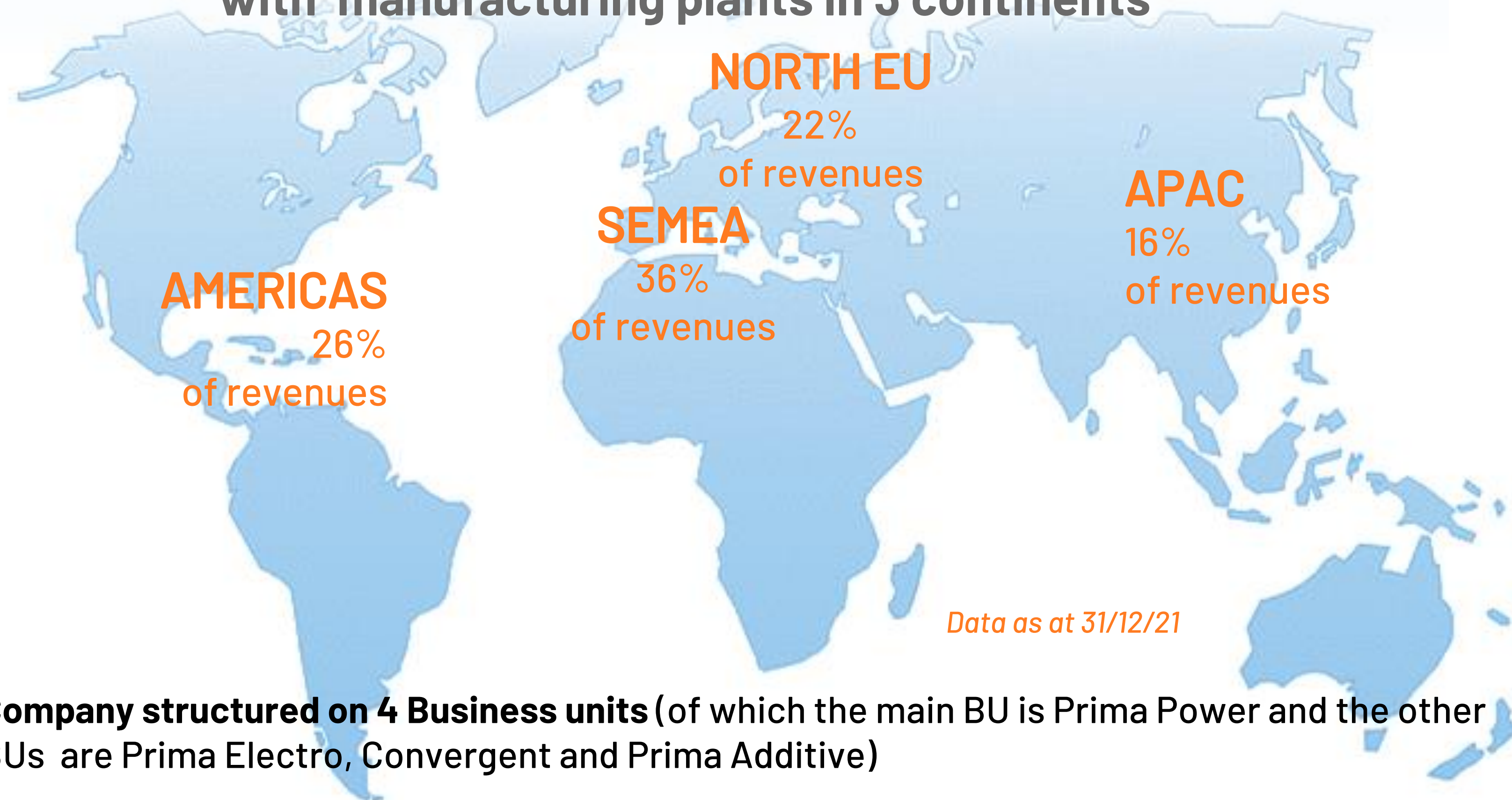
EURONEXT STAR  
CONFERENCE

22-24 MARCH  
2022



# WHO WE ARE

A leader in laser and sheet metal fabrication machines and systems with manufacturing plants in 3 continents



- **Company structured on 4 Business units** (of which the main BU is Prima Power and the other BUs are Prima Electro, Convergent and Prima Additive)
- **Listed on Borsa Italiana (Euronext) since 1999**
- **Focus on innovation (5%+ yearly investment in R&D)**
- **Direct presence in 30 countries**
- **Large installed base in 80 countries** and significant share (30%) of revenues from **after-sale services**
- **Commitment to ESG values ("green" machines, sustainable factories diversity, gender equity, business ethics)**

# OUR HISTORY

## 1977 - 1999 FROM FOUNDATION TO IPO

- 1977 ○ INCORPORATION OF PRIMA PROGETTI
- 1978 ○ INCORPORATION OF PRIMA ELECTRONICS
- 1979 ○ FIRST 3D LASER WW
- ENGINEERING/ MECHATRONICS ACTIVITY
- 1983 ○ PRIMA INDUSTRIE START -UP
- DIVERSIFIED INDUSTRIAL DEVELOPMENT
- COOPERATION WITH AMADA
- FOCUS ON LASER BUSINESS
- SALE OF NON CORE ASSETS
- 1992 ○ ACQUISITION OF LASERWORK
- 1995 ○ RECAPITALIZATION
- FIRST INTERNATIONAL EXPANSION (EU-USA)
- 1999 ○ FIRST JV IN CHINA
- 1999 ○ IPO ITALIAN STOCK MARKET



## 2000 - 2008 EXTERNAL GROWTH

- 2000 ○ COVERGENT ENERGY - INC. 1984, US ) ACQUISITION - LASER SOURCES
- 2001 ○ LASERDYNE (INC. 1991, US) - ACQUISITION AEROSPACE MKT
- 2003 ○ SECOND JV IN CHINA (SHANGHAI)
- 2005 ○ ACQUISITION OF MATRA GERMAN MARKET
- 2007 ○ ACQUISITION OF OSAI - ITALY (CNC & ELECTRONICS)
- 2008 ○ ACQUISITION OF FINN-POWER (INC. 1969) SHEET METAL MARKET



## 2009 - 2021 GROUP INTERNATIONAL CONSOLIDATION

- INDUSTRIAL & COMMERCIAL RATIONALIZATION
- 2011 ○ REBRANDING (PP - PE)
- INTERNATIONAL EXPANSION (BRIC ETC.)
- 2015 ○ PRIMA POWER SUZHOU PLANT IN CHINA
- 2016 ○ NEW HQTC TORINO
- 2018 ○ 19% STAKE IN LEAD LASER (CHINA)
- 2018 ○ 19% STAKE IN 3D-NT & PRIMA ADDITIVE BU LAUNCHED
- 2019 ○ NEW PLANT FINN-POWER SEINAJOKI (FINLAND)
- 2020 ○ NEW PLANT LASERDYNE MINNEAPOLIS
- 2021 ○ NEW GROUP ORGANIZATION BY BU & REGIONS
- 2021 ○ NEW PRIMA INDUSTRIE PLANT IN TORINO



# PRODUCT RANGE



## LASER MACHINES



## ADDITIVE MANUFACTURING



## SHEET METAL PROCESSING MACHINES & SYSTEMS



# PRODUCT RANGE

## AUTOMATION AND STORAGE



## ELECTRONICS



## LASER SOURCES



## SERVICES



## SOFTWARE



# MAIN PLANTS



**2D, 3D LASERS – ADDITIVE  
WW HQ – Collegno – TO (ITALY)**



**PUNCHING – COMBI – SYSTEMS  
Seinäjoki (FINLAND)**

# NEW EFFICIENT AND SUSTAINABLE PLANTS



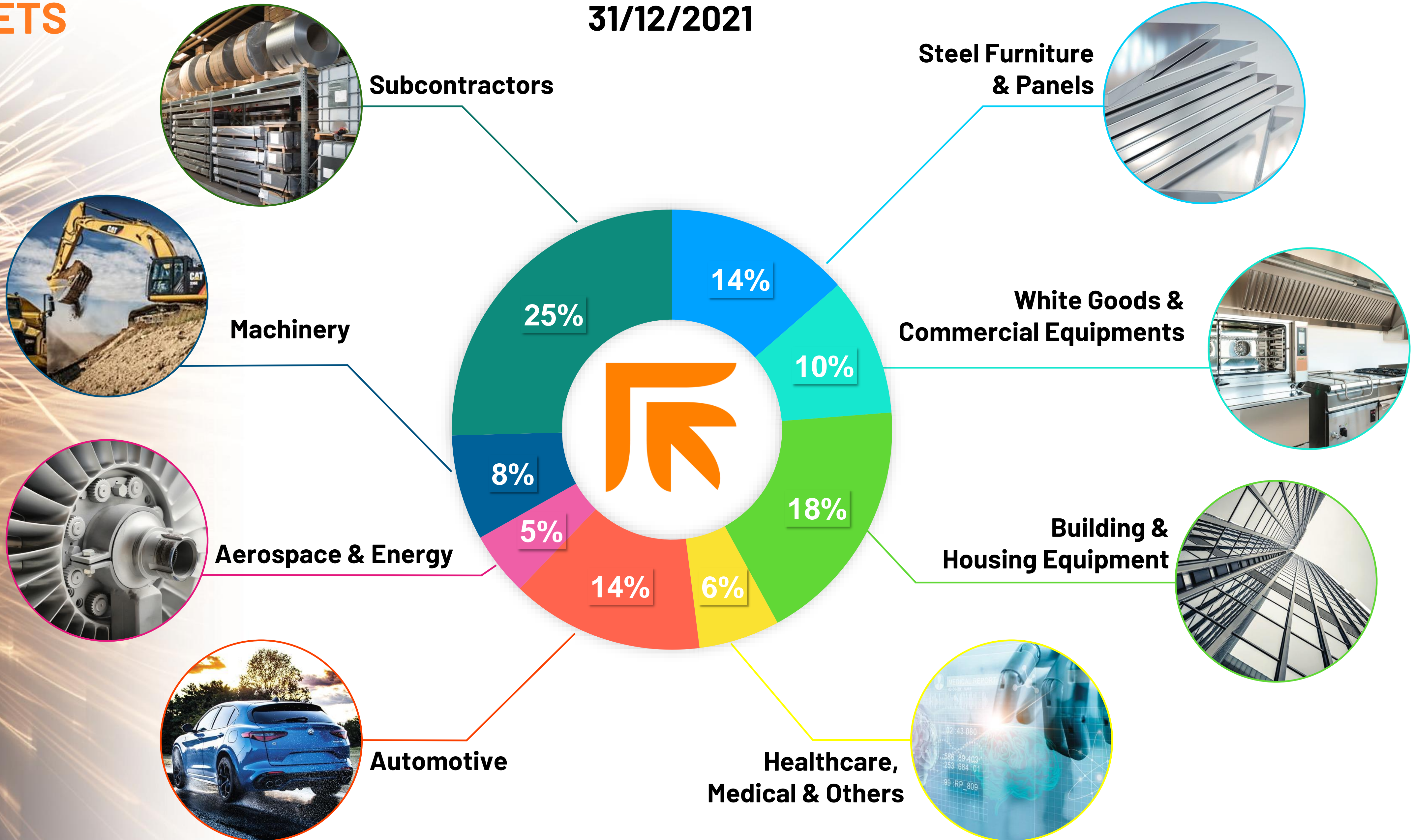
**LASERDYNE – Brooklyn Park – MN (USA)**



**LASER – PUNCHING –  
Wujiang – Suzhou (CHINA)**

# END MARKETS

## High-standing customer base in a wide range of industrial sectors 31/12/2021

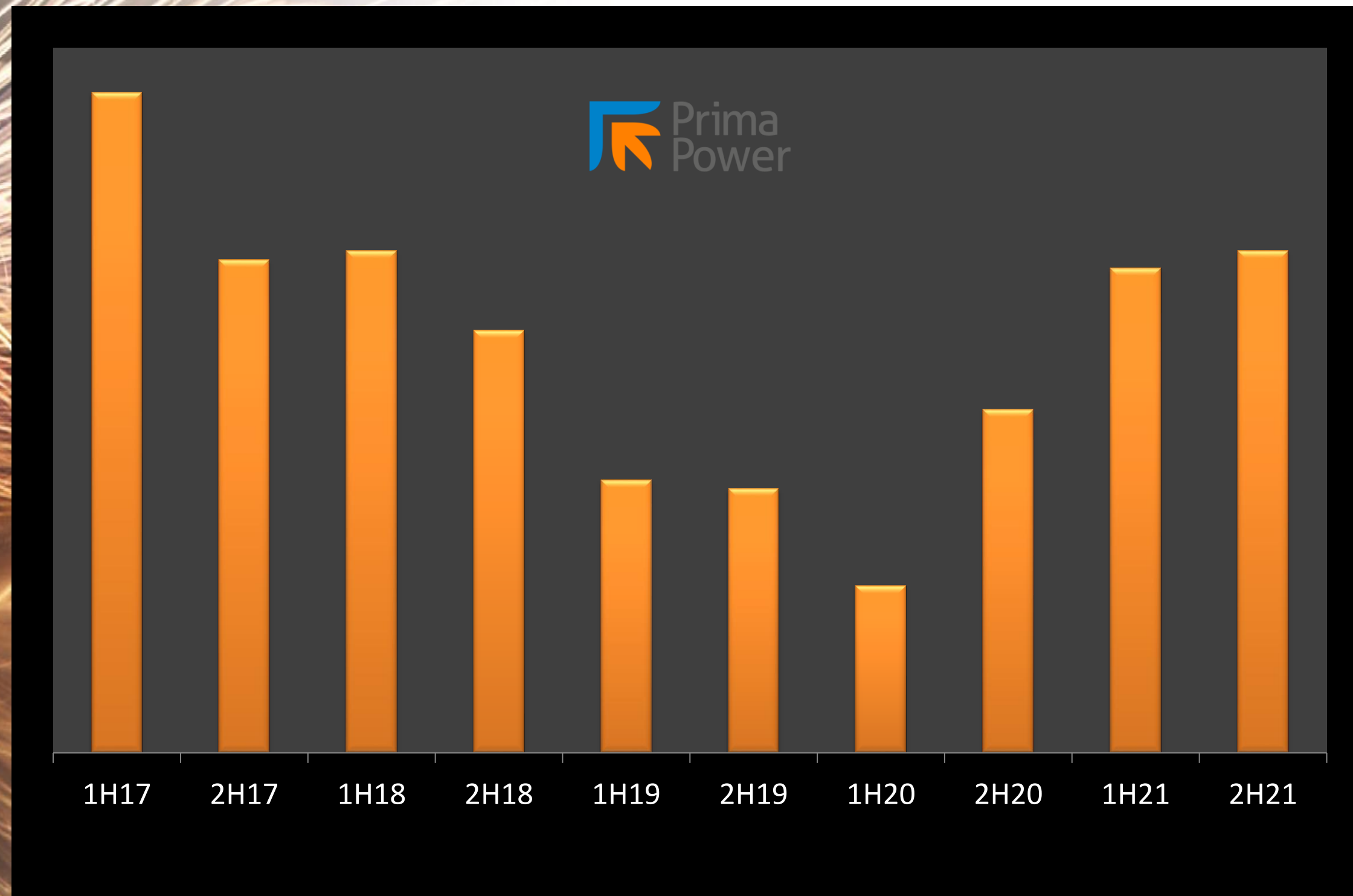


# AUTOMOTIVE MARKET TREND

## ORDER INTAKE TREND

1H17-2H21

3D LASER MACHINES FOR AUTOMOTIVE (units)



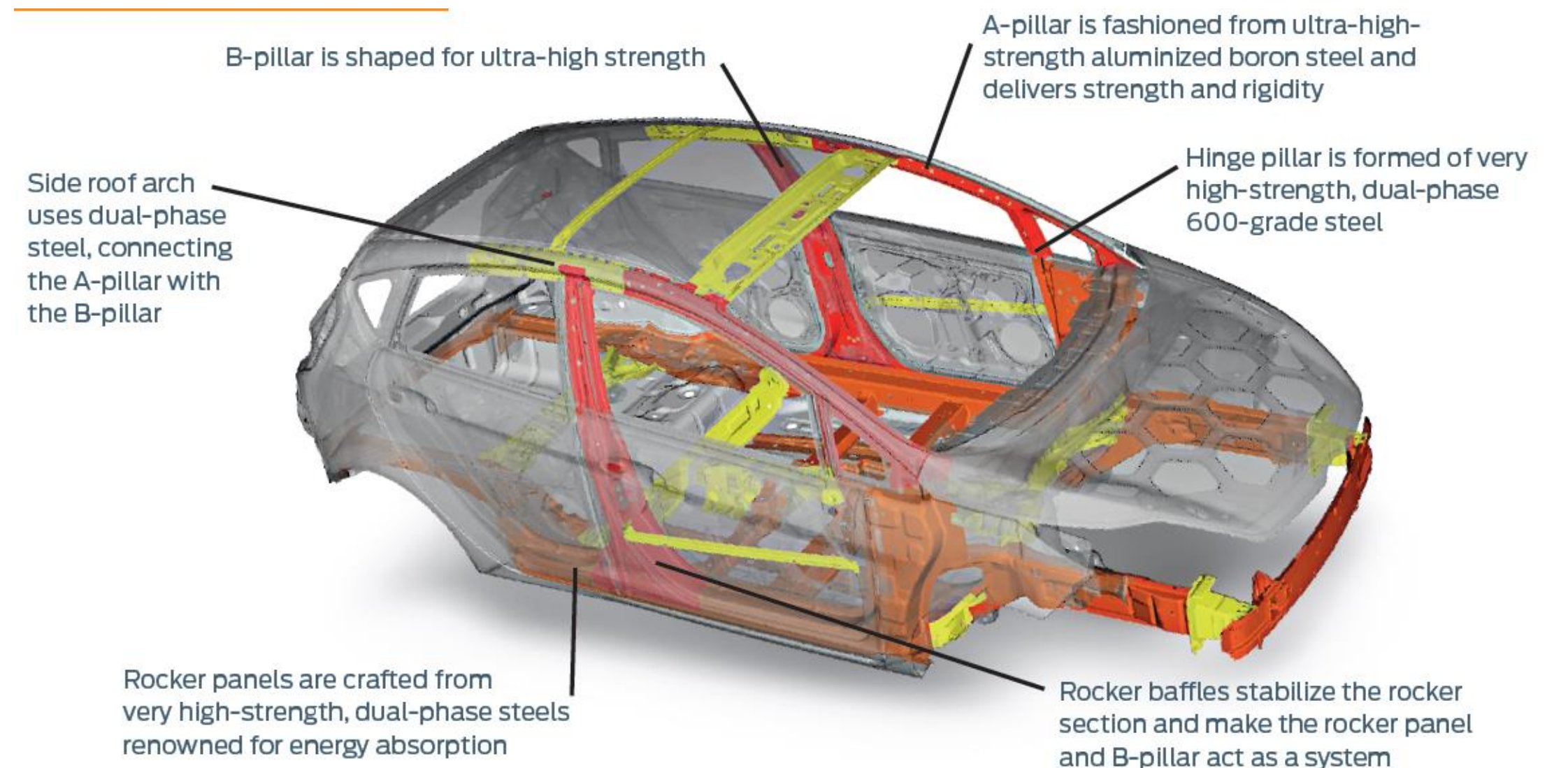
“Two trends in vehicle sales and output are making lightweighting even more important:

- the rise of SUV and light truck sales growth,
- the quickening transition to electric vehicles.

These shifts have made it even more important to use lightweight, high-strength materials, for example in reducing fuel consumption.

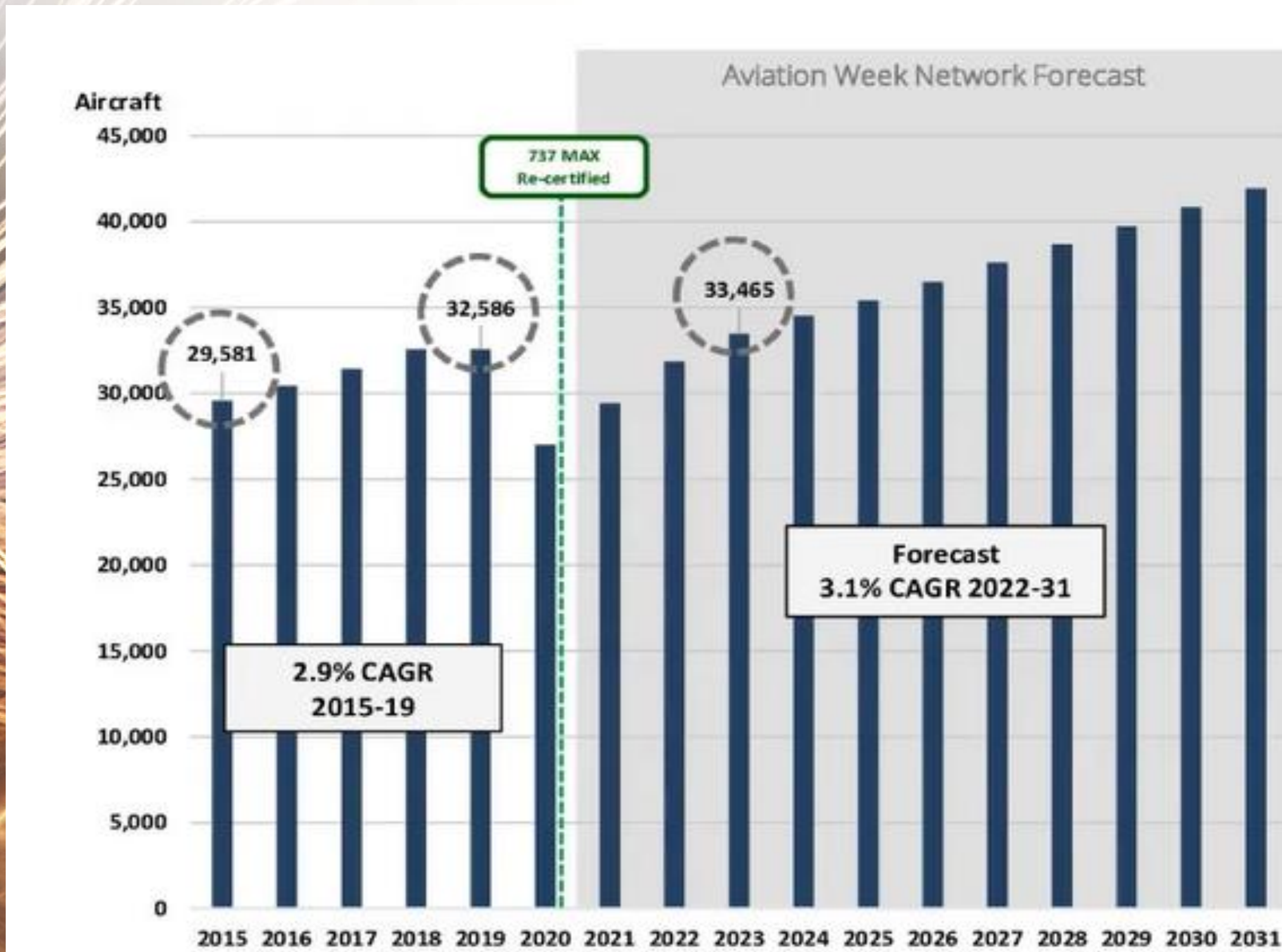
Electric vehicles batteries and battery enclosures add significant weight to vehicles, with manufacturers looking to materials to **offset this weight.**”

### Automotive Manufacturing solutions 27/09/21



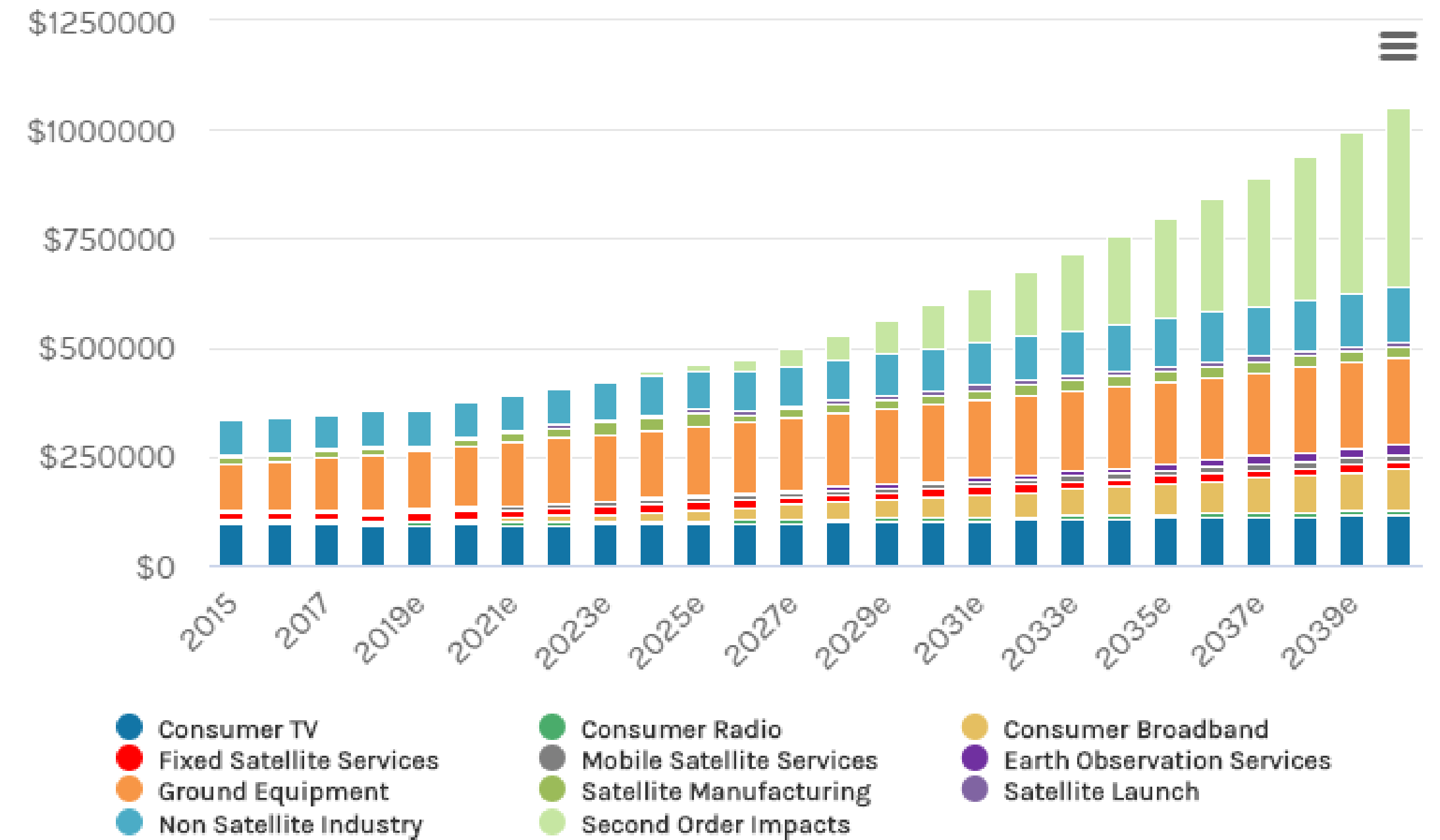


# CIVIL AVIATION & SPACE MARKET TREND



Source: 2022 Commercial Aviation Fleet & MRO Forecast: Aviation Week Network. Copyright 2021.

## The Global Space Economy (\$t)



Source: Haver Analytics, Morgan Stanley Research forecasts



- Regional commercial air-traffic is improving
- 75% of the aircraft are back in service - most narrow body regional planes
- Recovery to 2019 levels is expected in late 2023



- Defense aerospace and space economy instead appear to be resilient to the crisis.
- Launching satellites driven by demand for data (by autonomous cars, IoT, A.I., VR, video,..)

# CONSTRUCTION AND BUILDING MARKET TREND

**Urbanization remains a major demographic trend across much of the world.**

**This future growth will provide a continuous and increasing request of public and private infrastructure**

**Building sub-segment impacted:**

**ELEVATORS**

**LIGHTING**

**STEEL DOORS**

**PANELS**

**HVAC**

**HEATING EQUIPMENT**

**VENTILATION EQUIPMENT**

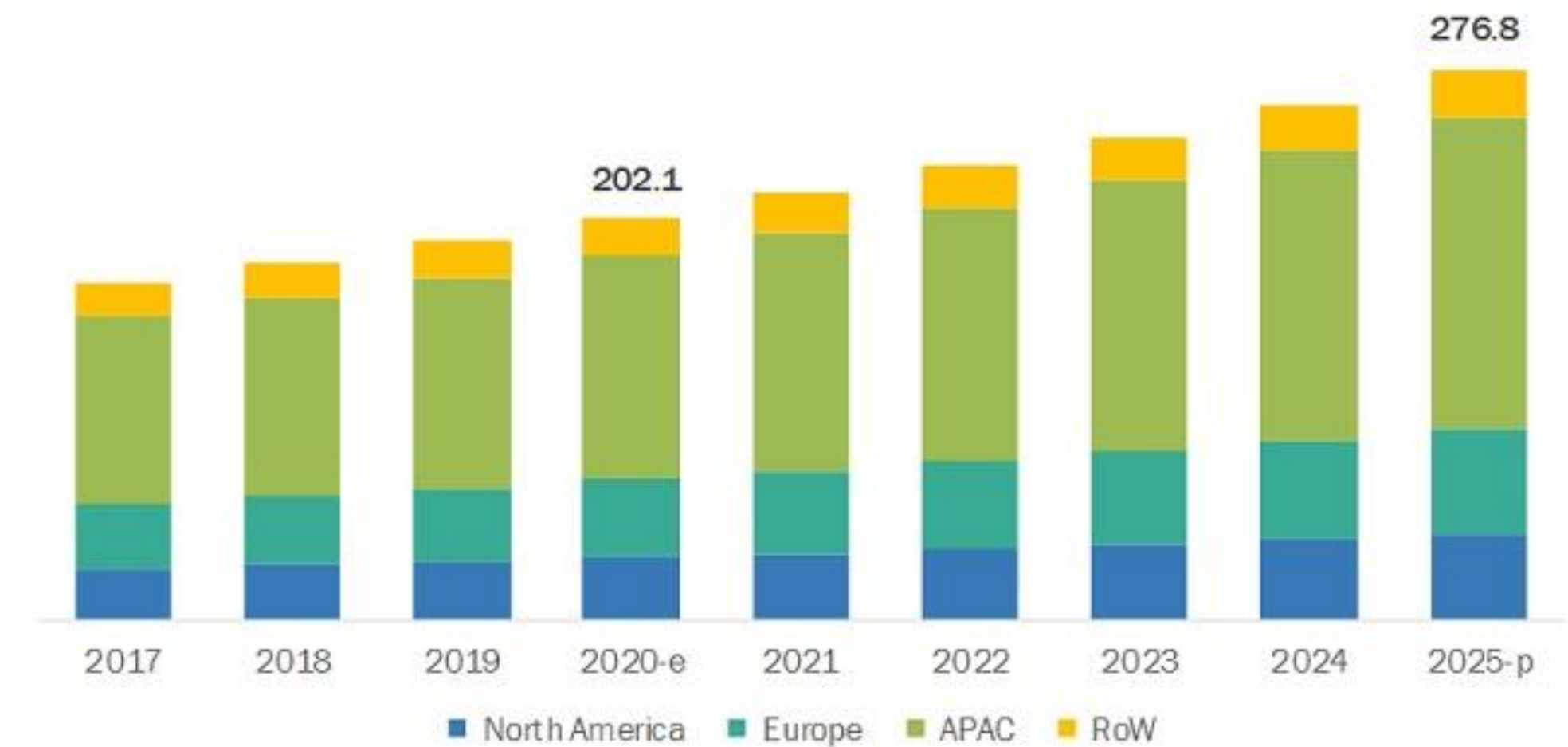
**COOLING EQUIPMENT**



## Drivers

- Environmental sustainability
- Population growth
- People moving to cities
- Customer demands
- Global warming
- Technology improvements

HVAC SYSTEM MARKET, BY REGION (USD BILLION)



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Note: e = Estimated Year and p = Projected Year

# SELECTION OF MAIN CUSTOMERS

## AUTOMOTIVE



## AEROSPACE



## ENERGY



## CONSTRUCTION & BUILDING



## MECHANICS & MACHINERY



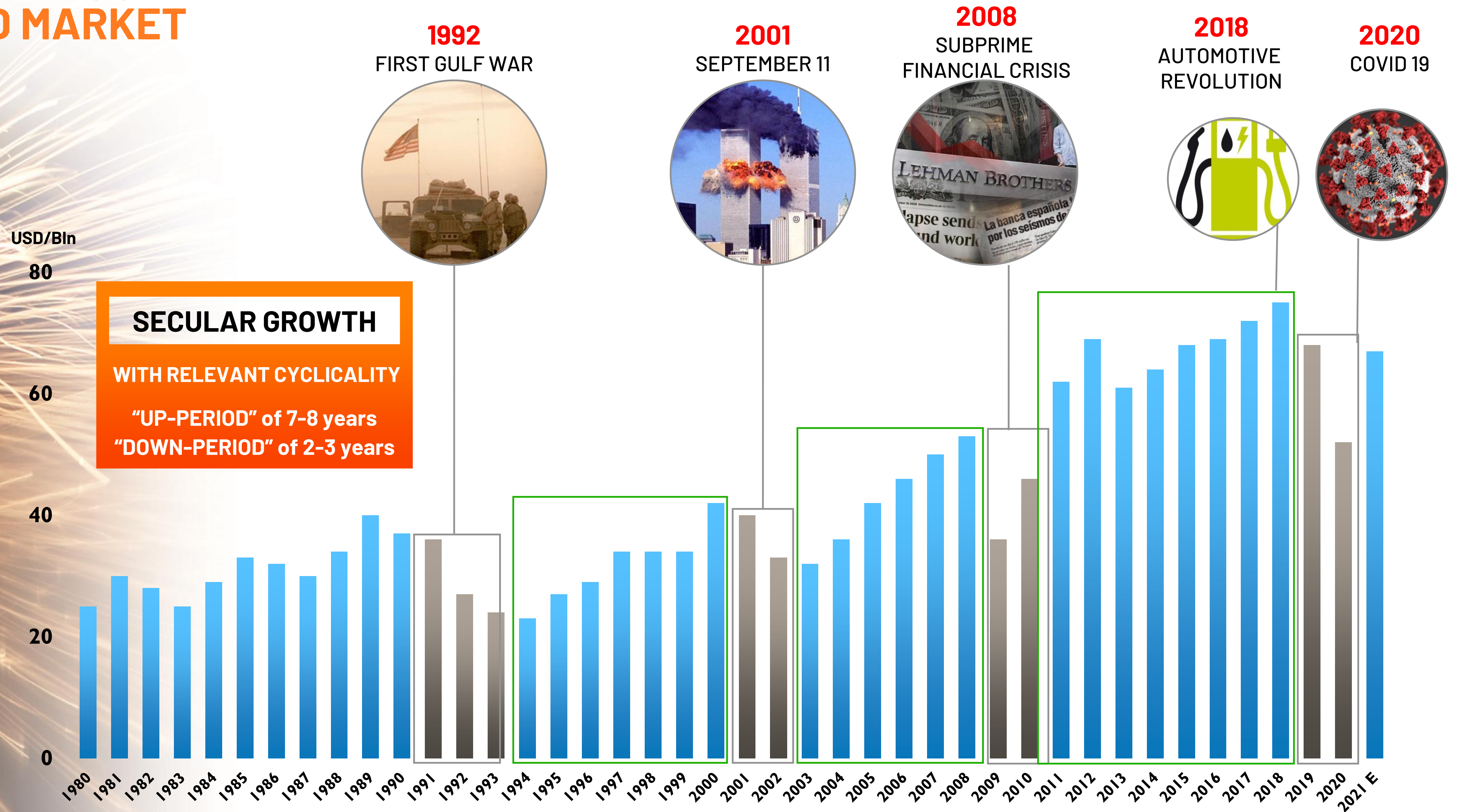
## WHITE GOODS & COMMERCIAL EQUIP.



## ELECTRONICS, MEDICAL & OTHERS



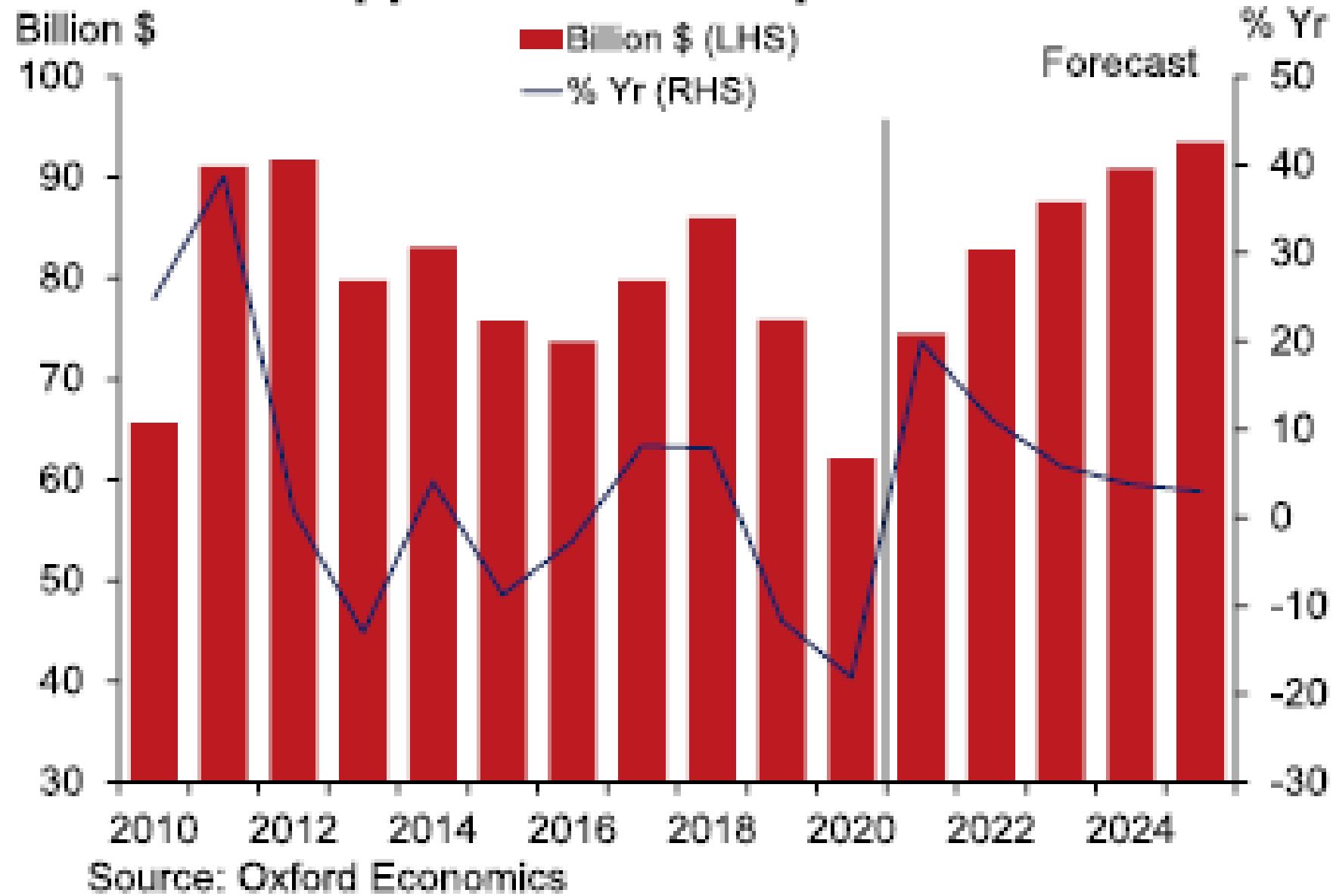
# MACHINE TOOL WORLD MARKET



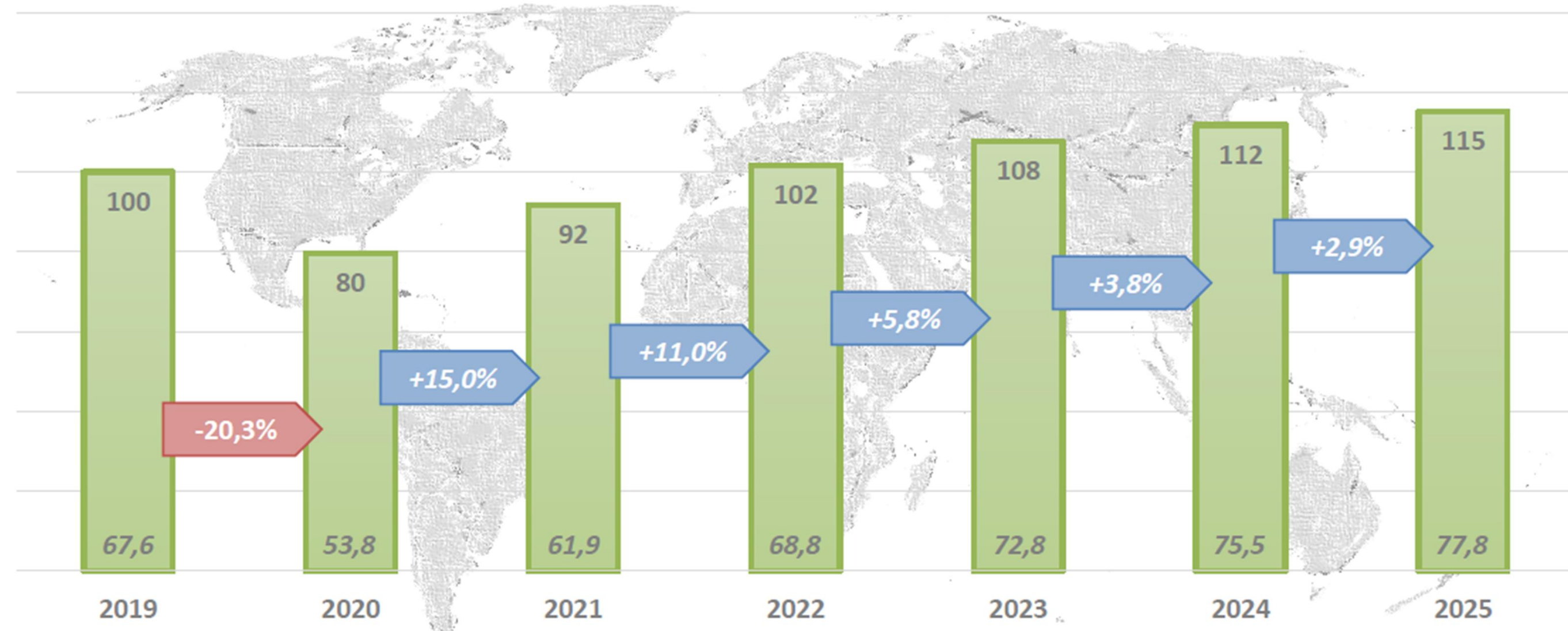
Source: VDW and Oxford Economics.



## World: MT Apparent consumption



UCIMU-SISTEMI PER PRODURRE



Source: elaboration by UCIMU on data from Oxford Economics, ITC, Gardner, national associations

### Overview table

% change

	2020	2021	2022	2023	2024	2025
<b>Apparent consumption</b>						
World	-14.8	16.3	11.1	5.8	3.8	2.9
Americas	-18.1	23.8	16.0	6.2	2.2	1.3
Asia	-11.6	16.3	7.9	5.4	4.6	3.6
Europe	-20.2	10.9	15.3	6.5	3.1	2.3

Source: Cecimo/Oxford Economics - October 2021

- 1 Innovation leader** with strong technological skills and know-how (mechatronics, opto-electronics, automation and software)
- 2 strong geographical distribution worldwide and high diversification of industries served**, which are impacted by different cyclicity and diversified macro trends
- 3 an important share of revenues coming from after sales activities (approx. 30%)**, which represent a stable source of sales linked to high number of machines installed



Main drivers which spark innovation are customers' need for production plants that are always more **automated, connected, efficient, and with a low impact on the environment**.

Our Group is a leader in **Industry 4.0** technologies with IoT and cloud solutions for efficient management of systems and data, augmented reality and predictive models for machine use, maintenance, training, and remote assistance.

We are also investing in new technologies that will **shape the future of manufacturing industry** such as: artificial intelligence, machine learning, digital twins, 5G. It is our mission to **enhance our customer profitability** through advanced, reliable, and autonomous production systems.

In the meantime, we are also strongly working in **digitalization of all business processes**, both internal and on those aimed at relations with customers and other relevant stakeholders.

# CUSTOMER SERVICE AND REMOTE CARE

Prima Power offers customers a leading-edge technology for **Remote Care service**.

In case of unexpected alarms, thanks to Prima Power remote care, alarms can be **diagnosed and fixed remotely**.

When customer's machine is stopped, with remote monitoring tools it is possible to speed up troubleshooting and make sure that customer's machine is again up and running.

## **Augmented reality: innovative remote assistance**

The customer's technicians, equipped with smartphones or tablets, can communicate remotely and share video images in real time with our experts.

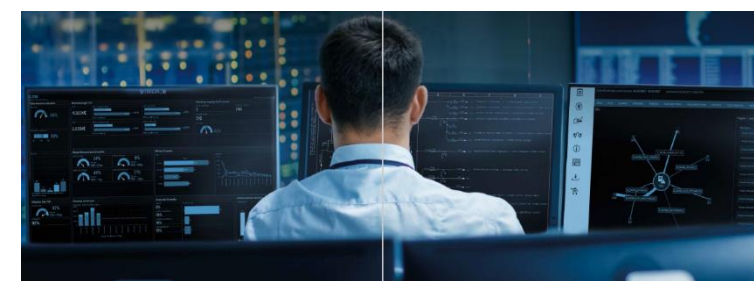
## **Mixed reality assistance: virtual view**

Technological glasses which allow physical reality to interact with holograms. Thanks to proprietary applications loaded on these glasses, Prima Power applies the enormous potential of mixed reality to remote assisted training and maintenance activities.



Prima Tool  
Service

**GLOCAL**  
think global. serve local.





## Net Promoter Score 2022 CUSTOMER SATISFACTION SURVEY

(carried out by an independent assessor)

**Question: "Would you purchase another Prima Power product again and would you recommend them?"**

The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others.

NPS above 70 is considered good irrespective of the industry.

Net Promoter Score for Prima Power in 2022 is

**88.8**

NPS is a key driver for sustainability and excellent results.



## Growing commitment to sustainability and ESG targets

Machines and plants increasingly environment friendly

Particular attention to human resources representing a fundamental asset for the future of the Group (smart working, diversity, training, talent retention)



Permanent contracts **99%**

Employees who can work in agility mode **55%**

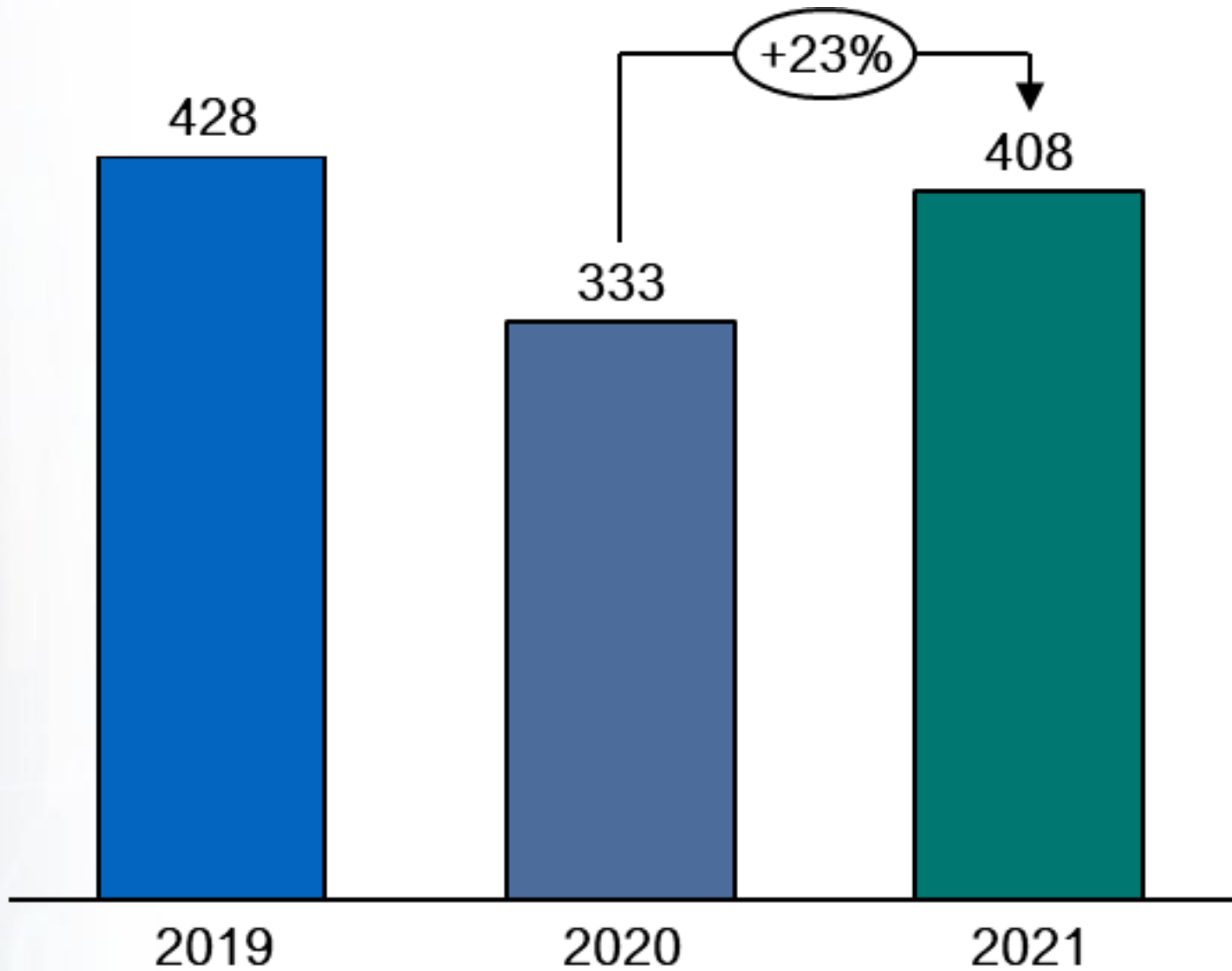
Employees with high school or university degrees **90%**

# FINANCIALS HIGHLIGHTS

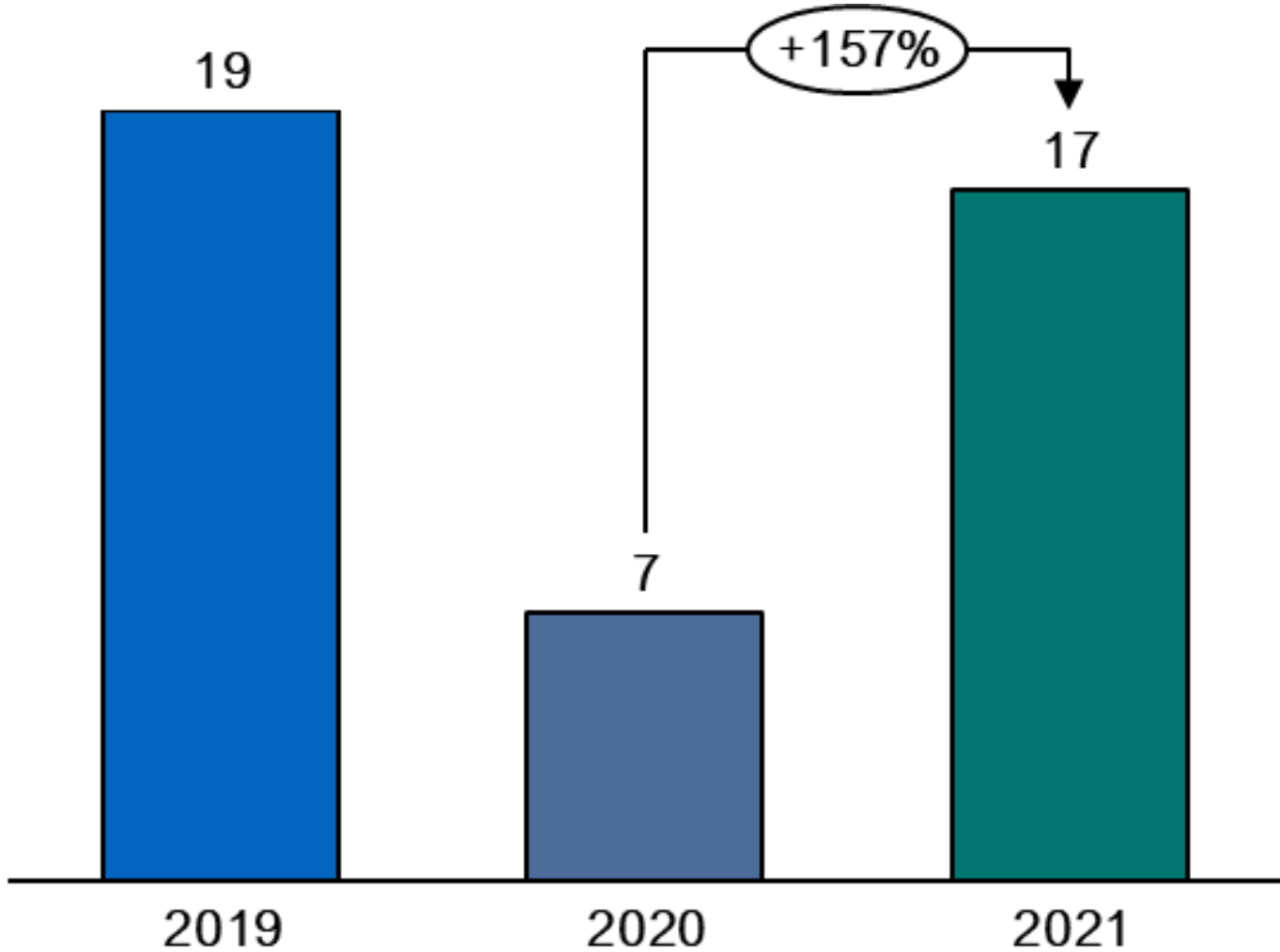


# All 2021 financial performances improving vs 2020

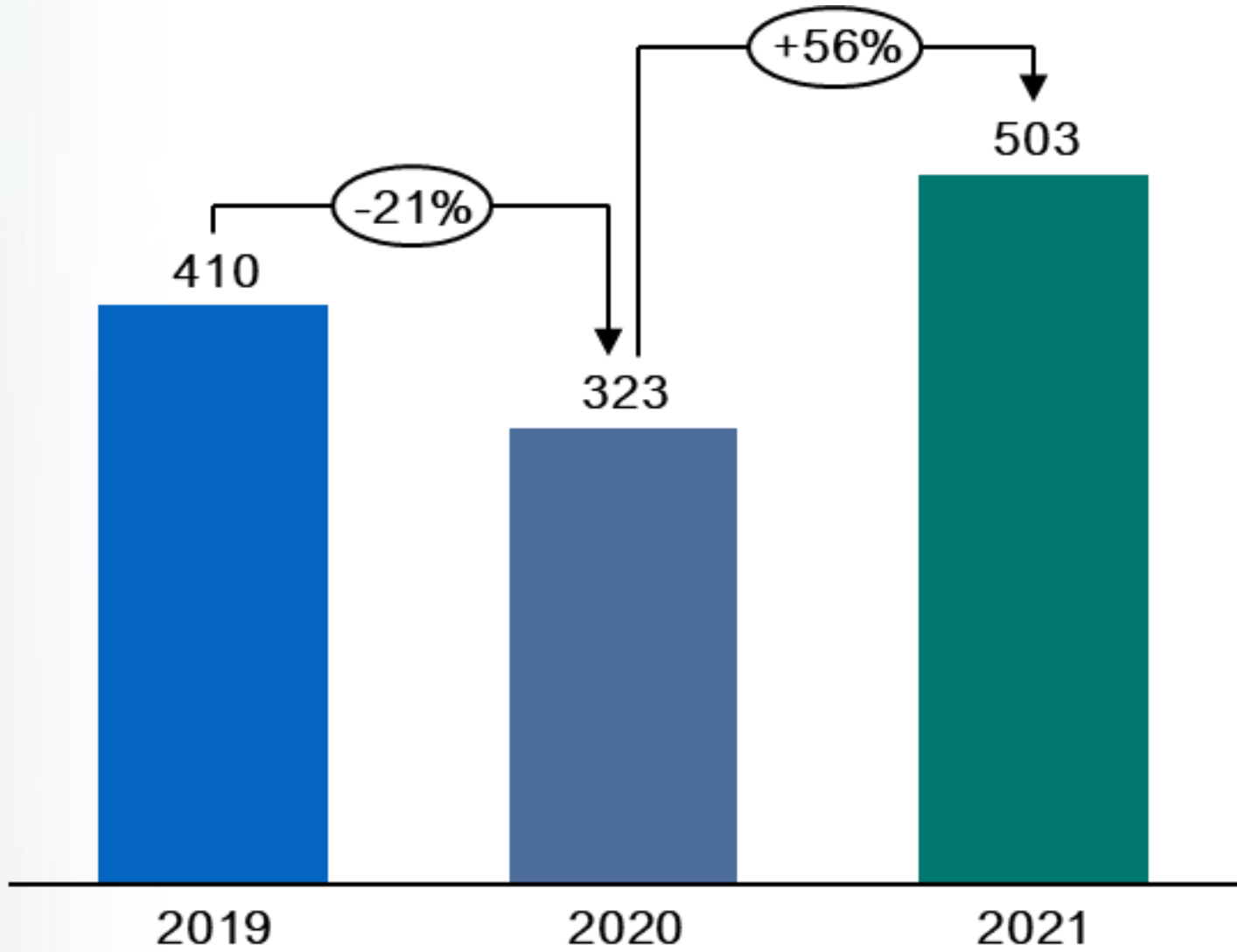
### Revenues



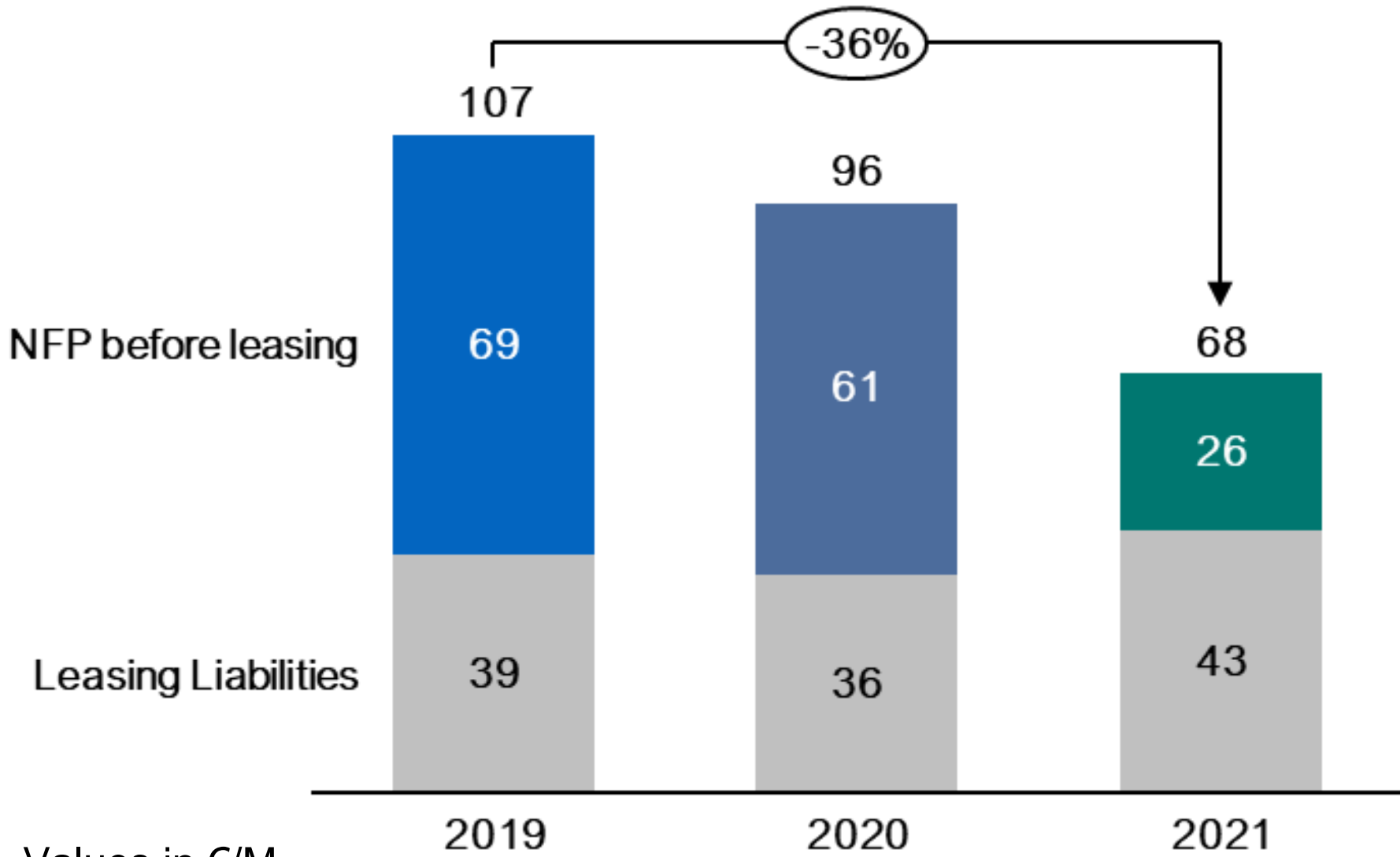
### Ebit Adj



### Order Acquisition



### Net Financial position



Values in €/M

# P&L FY2021

<i>Value in Mln/Euro</i>	YTD Dec '21	YTD Dec '20	Change '21 vs '20
Sales of machines/products	305,9	243,9	62,0
Sales of services	35,9	32,5	3,4
Sales of spare parts	65,8	56,6	9,2
<b>Gross sales</b>	<b>407,6</b>	<b>333,0</b>	<b>74,6</b>
COGS	(319,1)	(264,2)	(54,9)
<b>Gross margin - statutory</b>	<b>88,5</b>	<b>68,8</b>	<b>19,7</b>
<b>Gross margin - statutory %</b>	<b>21,7%</b>	<b>20,6%</b>	<b>115 bps</b>
R&D (*)	(22,6)	(28,4)	5,8
Sales & Marketing	(26,7)	(23,3)	(3,4)
G&A and Management	(25,0)	(22,3)	(2,7)
<b>EBIT</b>	<b>14,2</b>	<b>(5,2)</b>	<b>19,4</b>
<b>EBIT %</b>	<b>3,5%</b>	<b>(1,6%)</b>	<b>505 bps</b>
EBT	10,2	(10,5)	20,7
Taxes	(2,2)	3,1	(5,3)
<b>Net Result</b>	<b>8,0</b>	<b>(7,4)</b>	<b>15,4</b>
<b>EBIT Adjusted</b>	<b>16,7</b>	<b>6,5</b>	<b>10,2</b>
<b>EBIT Adjusted %</b>	<b>4,1%</b>	<b>2,0%</b>	<b>215 bps</b>
<b>EBITDA Adjusted</b>	<b>35,7</b>	<b>28,4</b>	<b>7,3</b>
<b>EBITDA Adjusted %</b>	<b>8,8%</b>	<b>8,5%</b>	<b>23 bps</b>

\* Impairment impact in 2020 equal to 8,5 Mln Euro affecting bottom line

# ORDER ACQUISITION AND BACKLOG

## ORDER ACQUISITION 2021

503 M€

+56% (vs 2020)

+23% (vs 2019)

**+75% new machines** vs 2020

**+15% after sales** vs 2020

## BACKLOG 1/1/22

215 M€

## BACKLOG 28/2/22

249 M€

**+72% Y/Y**

**+73% Y/Y**

# ANALYSTS' CONSENSUS



**TP 24.3**

**BUY**

**16/03/2022**



MEDIOBANCA

**TP 22.6**

**OUTPERFORM**

**09/12/2022**



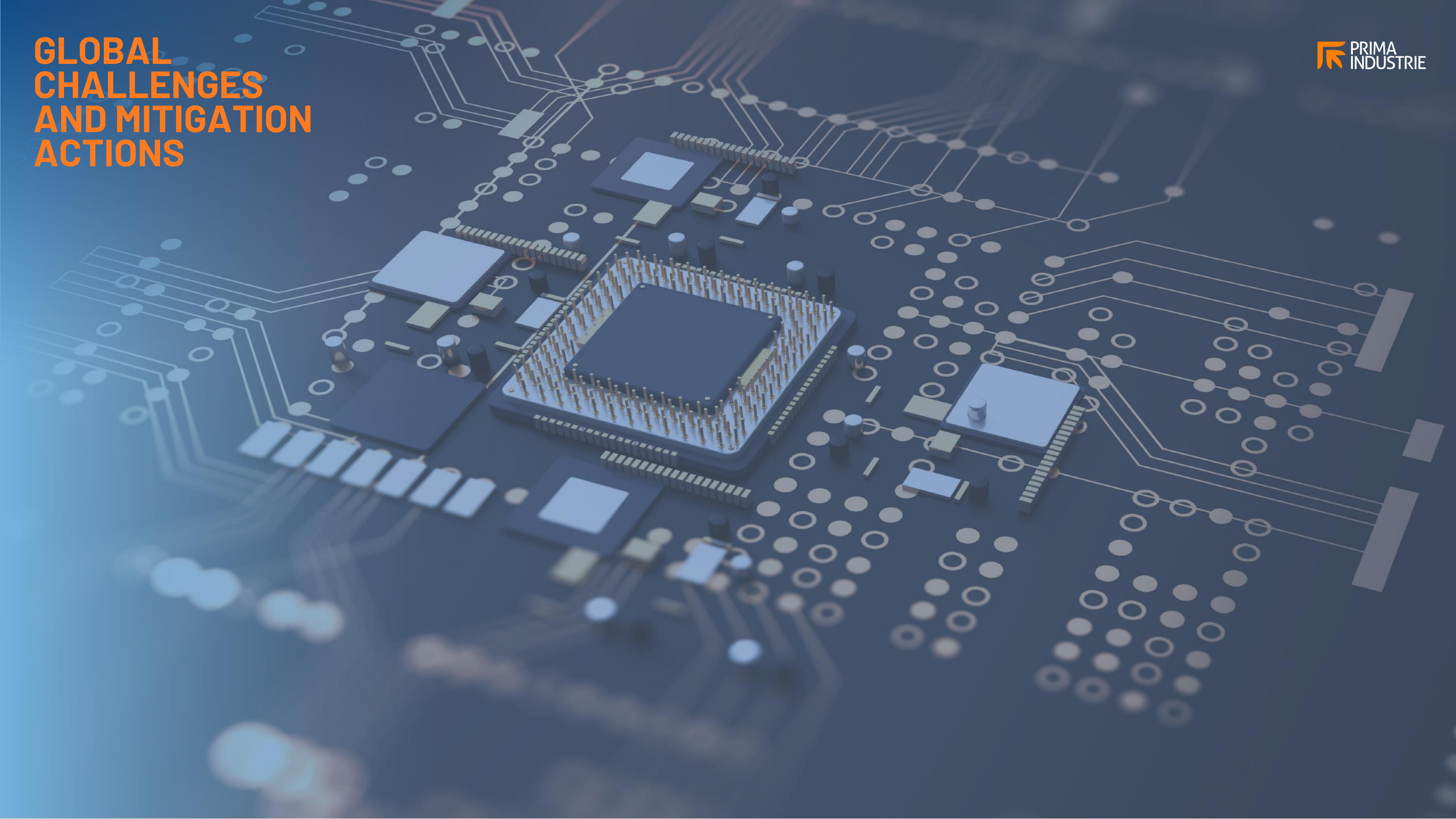
**TP 26.5**

**BUY**

**20/09/2021**

	2021					2022				2023			
	B. IMI	Mediobanca	Akros	Consensus	Actual	B. IMI	Mediobanca	Akros	Consensus	B. IMI	Mediobanca	Akros	Consensus
REVENUES	383,0	404,0	393,0	393,3	407,6	450,0	454,0	458,0	454,0	500,0	488,0	501,0	496,3
EBITDA	34,5	33,4	30,1	32,7	33,4	47,3	46,0	47,6	47,0	65,0	58,1	59,2	60,8
EBITDA %	9,0%	8,3%	7,7%	8,3%	8,2%	10,5%	10,1%	10,4%	10,3%	13,0%	11,9%	11,8%	12,2%
EBIT	14,0	13,6	9,7	12,4	14,2	28,0	24,8	25,2	26,0	45,7	36,9	36,5	39,7
EBIT %	3,7%	3,4%	2,5%	3,2%	3,5%	6,2%	5,5%	5,5%	5,7%	9,1%	7,6%	7,3%	8,0%
NET RESULT	7,4	6,8	3,0	5,7	8,0	18,6	14,8	14,1	15,8	31,2	23,1	22,4	25,6
NFP (w/IFRS 16)	-89,3	-86,9	-95,4	-90,5	-68,4	-48,9	-77,8	-85,7	-70,8	-20,4	-55,1	-64	-46,5

# GLOBAL CHALLENGES AND MITIGATION ACTIONS

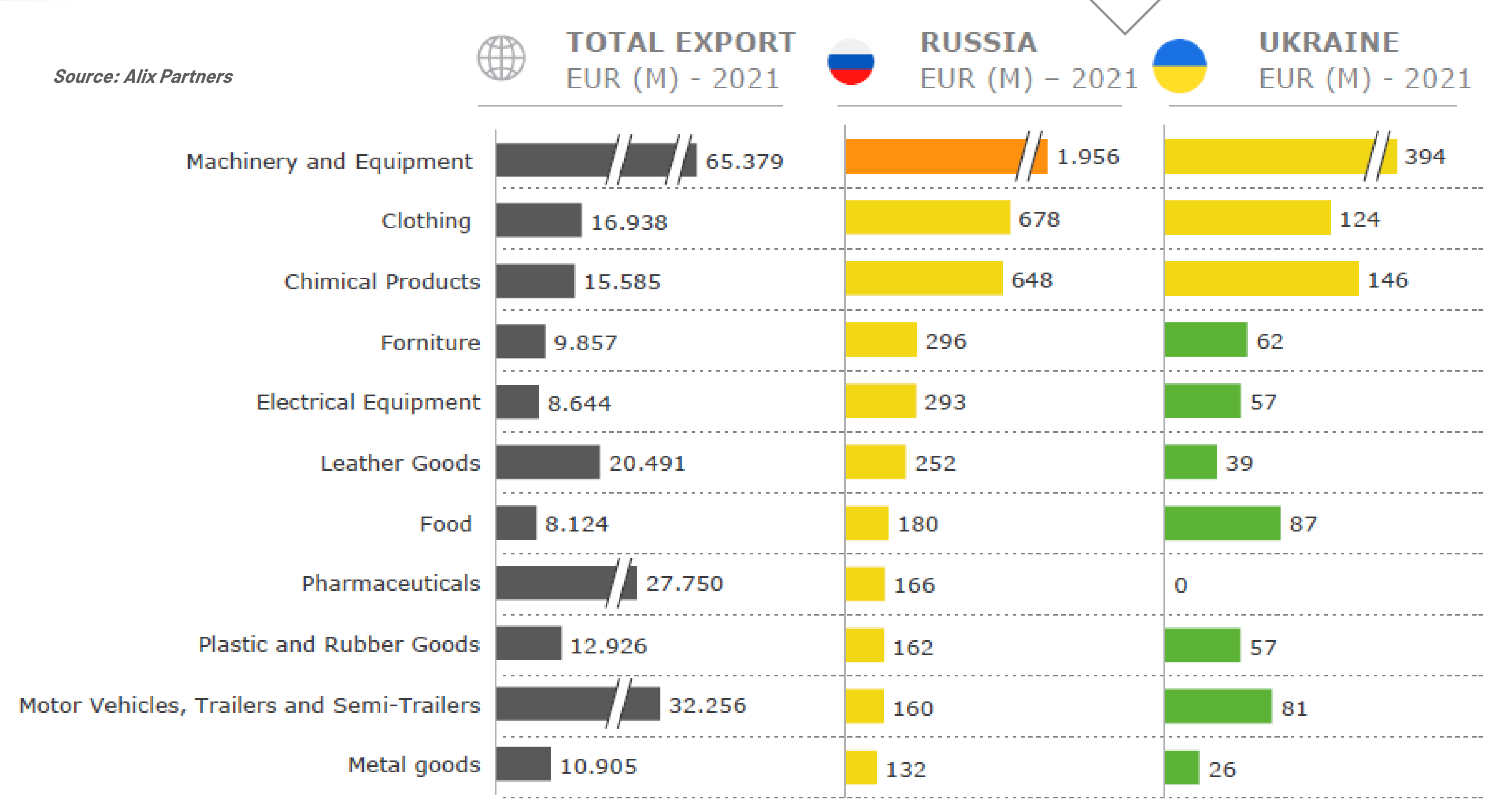




# RUSSIA-UKRAINE CRISIS

3,6% of  
WW Machinery Exports are  
to Russia and Ukarine

Source: Alix Partners



**Due to the relatively small share of exports to Russia (around 3.45% of the CECIMO Total MT exports), it is not expected to have a significant impact on the European TM sector on a global scale.**

**The most significant impact for European manufacturers could be on energy prices (gas, fuel), as well as on the prices of some materials (steel, titanium, aluminium, palladium, vanadium).** - Source: CECIMO

# PRIMA POWER RUSSIA



Commercial subsidiary established in 2010 with total staff of 40 people

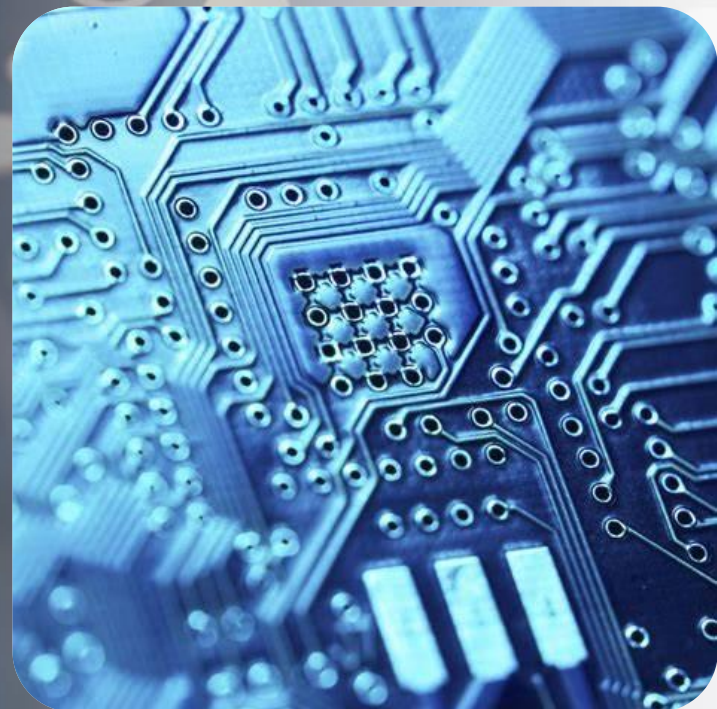
- Spare parts stock in Moscow and modern showroom opened in 2018
- Good customer base for After sales (+900 machine sold and active)
- No significant financial exposure at Group Level
- Revenues equal to 3,8% of Group turnover (2021).

# RAW MATERIALS & COMPONENTS



RAW MATERIALS

EVENT	MITIGATION ACTION
2021 Increase in the cost of raw materials	Increase in price list (mid year and year end)
<p><b>2022 New increases:</b></p> <ul style="list-style-type: none"> <li>• due to the war between Russia and Ukraine (particularly on Carbon steel)</li> <li>• amplified by speculation (which makes prices extremely volatile)</li> </ul>	<p><b>Negotiating contracts with suppliers</b></p> <p><b>Possible new price list increases</b></p>
Increases expected in the range 20%-55%	Final effect expected on product cost (due to the incidence of metallic components) 2%-10%



ELECTRONIC COMPONENTS

EVENT	MITIGATION ACTION
<p><b>Problem with availability</b> (more than pricing)</p> <p>Caused some delays in delivery in 4Q21 and 1Q22</p>	<p><b>Important engineering activity</b> to modify projects in order to replace unavailable components</p>
2022 shortage could turn ....	...into excess of offer in 2023
Due to the ww significant investments in production capacity for semiconductors	

# BUSINESS PLAN

'21-'23

MAIN

TARGETS

GROWTH IN  
REVENUES TO  
500+ M€

IMPROVEMENT  
IN MARGINALITY  
WITH  
EBITDA  
13%

POSITIVE  
NET FINANCIAL  
POSITION

(EXCLUDING IMPACT FROM  
IFRS16 AND EXTRAORDINARY  
OPERATIONS)

## ENHANCEMENT OF PRESENCE IN APAC MARKET

Investments in south-east Asia, China and other APAC Countries to increase market share.



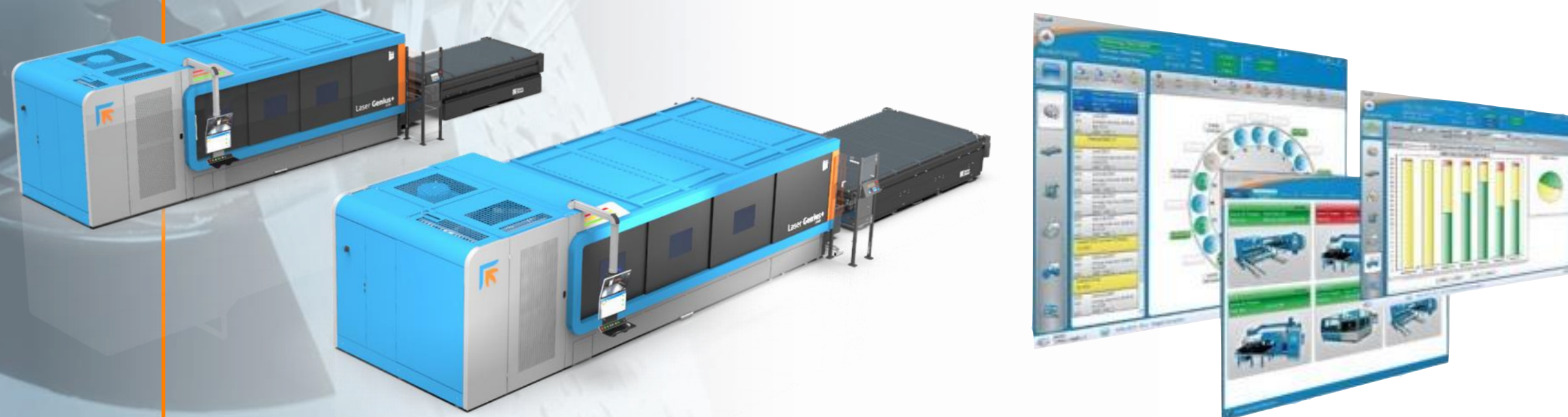
## RECOVERY OF AUTOMOTIVE SECTOR

- Recovery of **investments from automotive** sector starting from China.
- Introduction of **new models** and **safer / lighter** vehicles.
- Expected increased use of **HSS** materials.
- EV are an **opportunity** and not a threat to 3D laser machines.



## EVOLUTION OF THE PRODUCT RANGE

Through major investments in **software** and **automation** and introduction of a new family of **"volume booster"** products.



## FURTHER GROWTH IN AFTER-SALE REVENUES

- New Global Organization ("thinkglobal.serve local") oriented towards **Customer Satisfaction**.
- Growth through a more efficient employment of human resources and **new digital technologies** (Remote Troubleshooting, Augmented Reality, Predictive Maintenance)



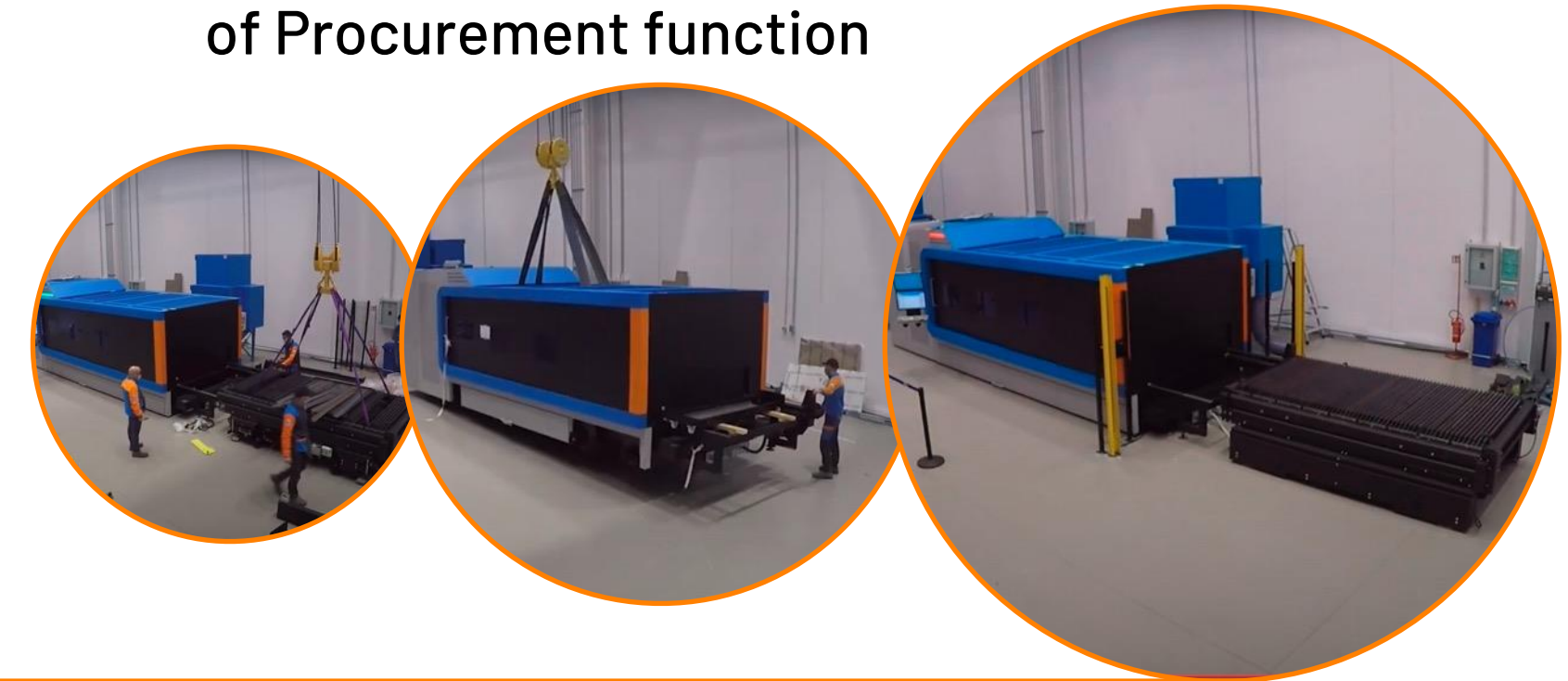
## RATIONALIZATION OF THE PRODUCTION FOOTPRINT

With the completion of the new factory in Collegno (Torino), after the actions already concluded in the recent years in Suzhou (China) Seinäjoki (Finland) and Minneapolis (USA)



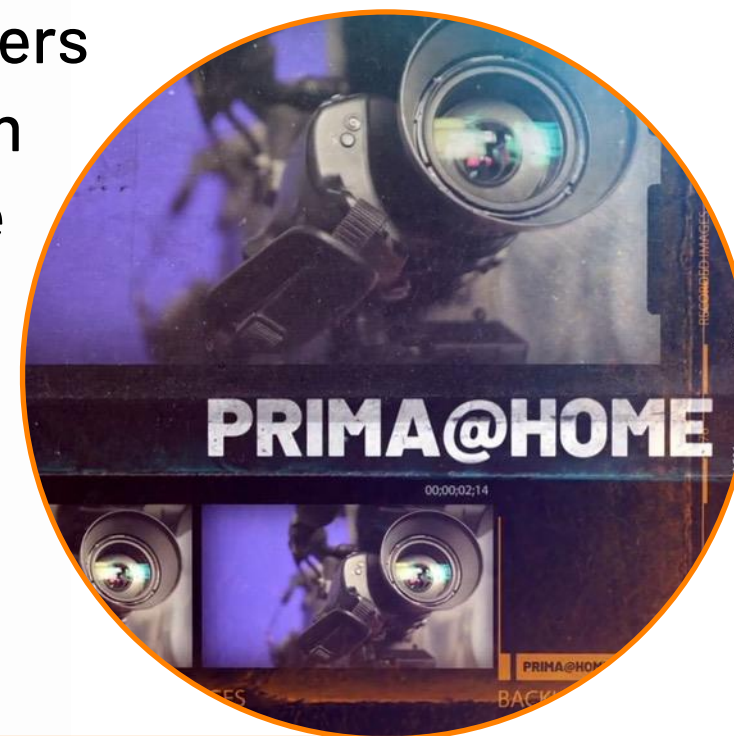
## EFFICIENCIES IN INSTALLATION AND PROCUREMENT

Reduction of installation times and costs, also thanks to the use of new digital technologies. Centralization of Procurement function



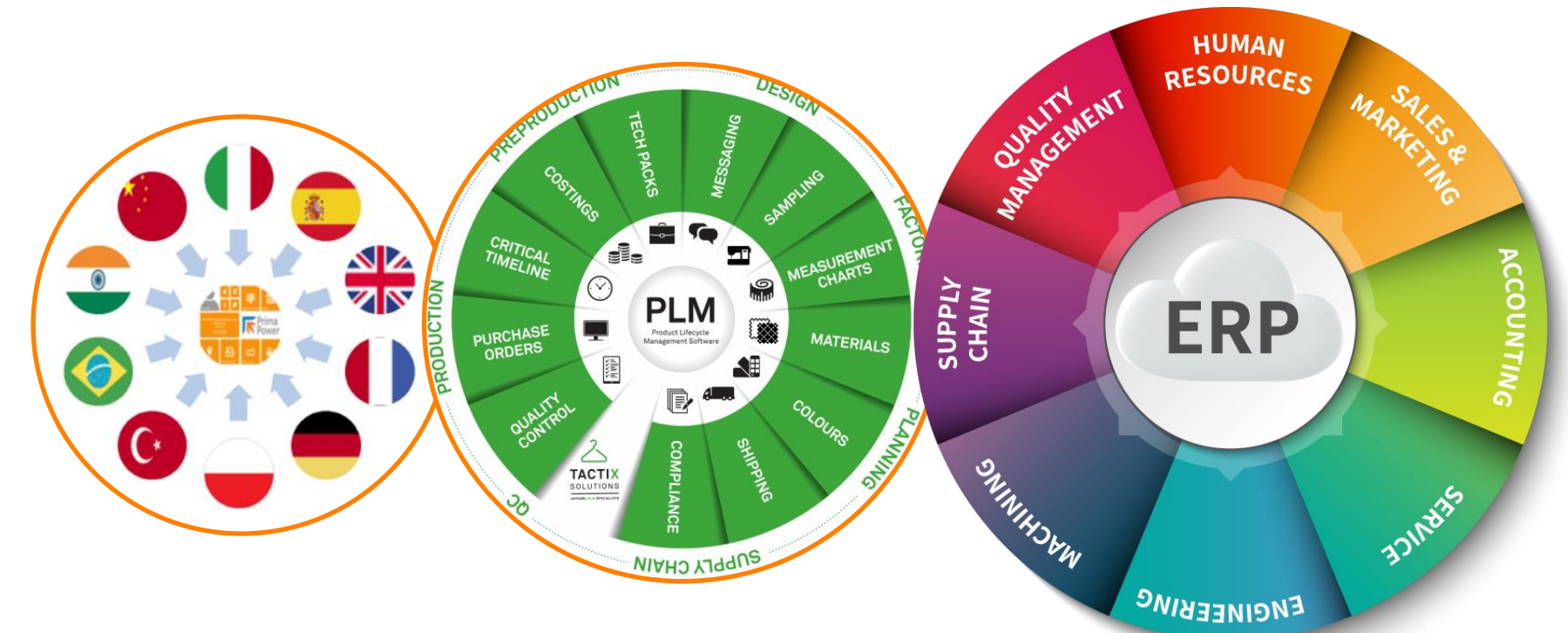
## REDUCTION OF TRAVEL AND EXHIBITIONS COST

Launch of a new streaming platform called "Prima@Home" to create digital events and open houses and arrange virtual demonstrations for customers without the need for them to move and travel to the Group's showrooms.



## GREATER DIGITALIZATION OF BUSINESS PROCESSES

Updating and integration of ERP and PLM systems, rollout of PST system for the After-Sale management



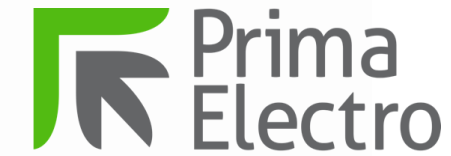


- After slow down in 2020/2021 (Covid) market is recovering and strong growth is expected/confirmed in mid-term, but substantial business model evolution will be necessary
- Significant investments will be required:
  - In R&D to improve product performance (**productivity**)
  - In S&M to improve distribution network and model ("**servitization**")
- Due to its small size, PA is not adding value to PI market cap while a multiple of sales is current evaluation method in AM sector



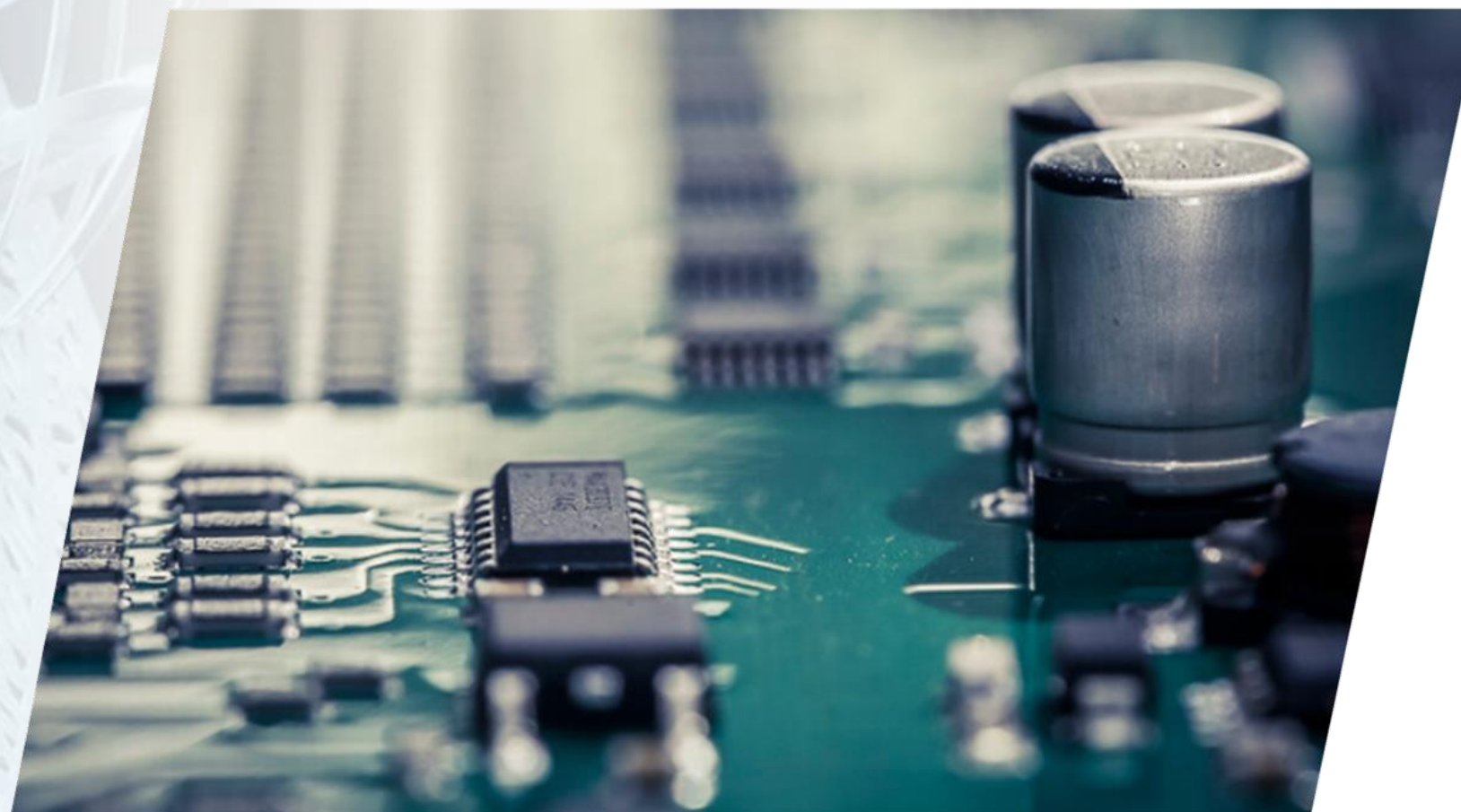
- Merge PA with start-up 3D-NT – PI will remain controlling shareholder of the newco
- Signing of 10 years strategic agreement with a non-competing world leader in AM
- Private equity investment in PA for a minority stake – Evaluation as per market standards
- After dilution, PI to remain the main investor and PA to be "**free-to-fly**"





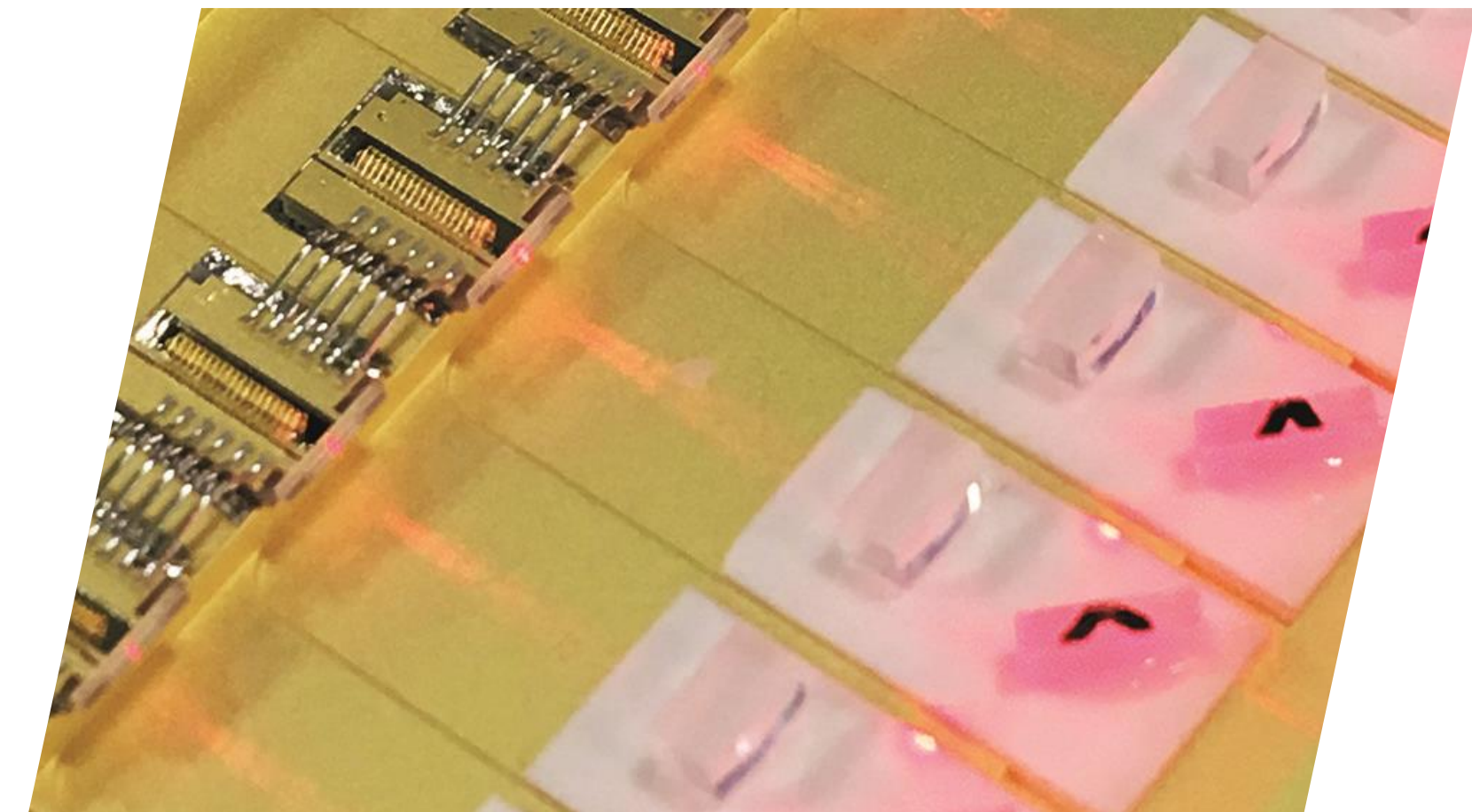
## PARTNERSHIP FROM CONCEPT TO FINAL PRODUCT

- **Good 2021 in spite of component shortage/costs**
  - REVENUES +15%
  - EBITDA 11%
- **Enhanced cooperation with main customers with new innovative projects**
- **E-mobility market prospects: Lol in place for proprietary converters for superfast charging applications**



## HI-TECH SOLUTIONS FOR NEW APPLICATIONS

- **In 2021 significant step forward for BU turnaround foreseen in 2021/2023 Business Plan**
  - REVENUES +21%
  - EBITDA positive in 2H21
- **Strong growth of revenues in medical segment**
- **Development of hi-tech products for new applications**
- **Progressive diversification from commoditized high power industrial market**





# MERGERS AND ACQUISITIONS

## M&A

**Looking at the market for catching opportunities in order to improve our presence in specific areas, for extending product range or increasing profitability**

## LEAD LASER

**Renewed agreement for increasing stake up to 60%**  
**Time to exercise Call/Put option: before March 31st, 2024**  
**Reinforcing cooperation for new joint product development**

## GEOGRAPHICAL EXPANSION

**After Covid restrictions, restarted the plan to extend presence in countries with significant potential growth**





# **BUSINESS PLAN '21-'23 TARGETS CONFIRMED**

# THANK YOU

