



SHAPING THE FUTURE

STAR CONFERENCE 2016, LONDON

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OCTOBER 6<sup>TH</sup> 2016



**London**  
Stock Exchange Group

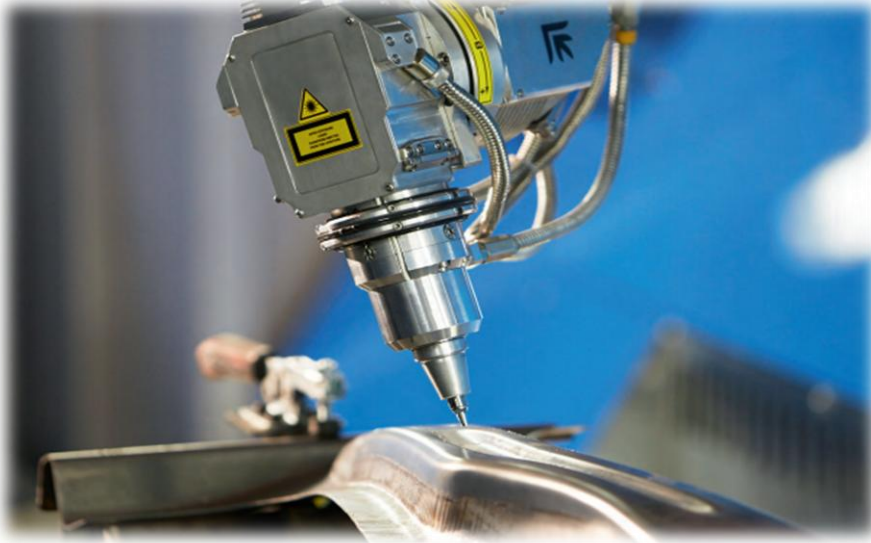


# Prima Group at a glance

- 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 80 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.
- 2015 sales were at € 365 millions, of which more than 85% outside Italy
- Strong commitment to innovation (R&D is 6.5% 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



**osai**



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ELECTRONICS



**convergent**



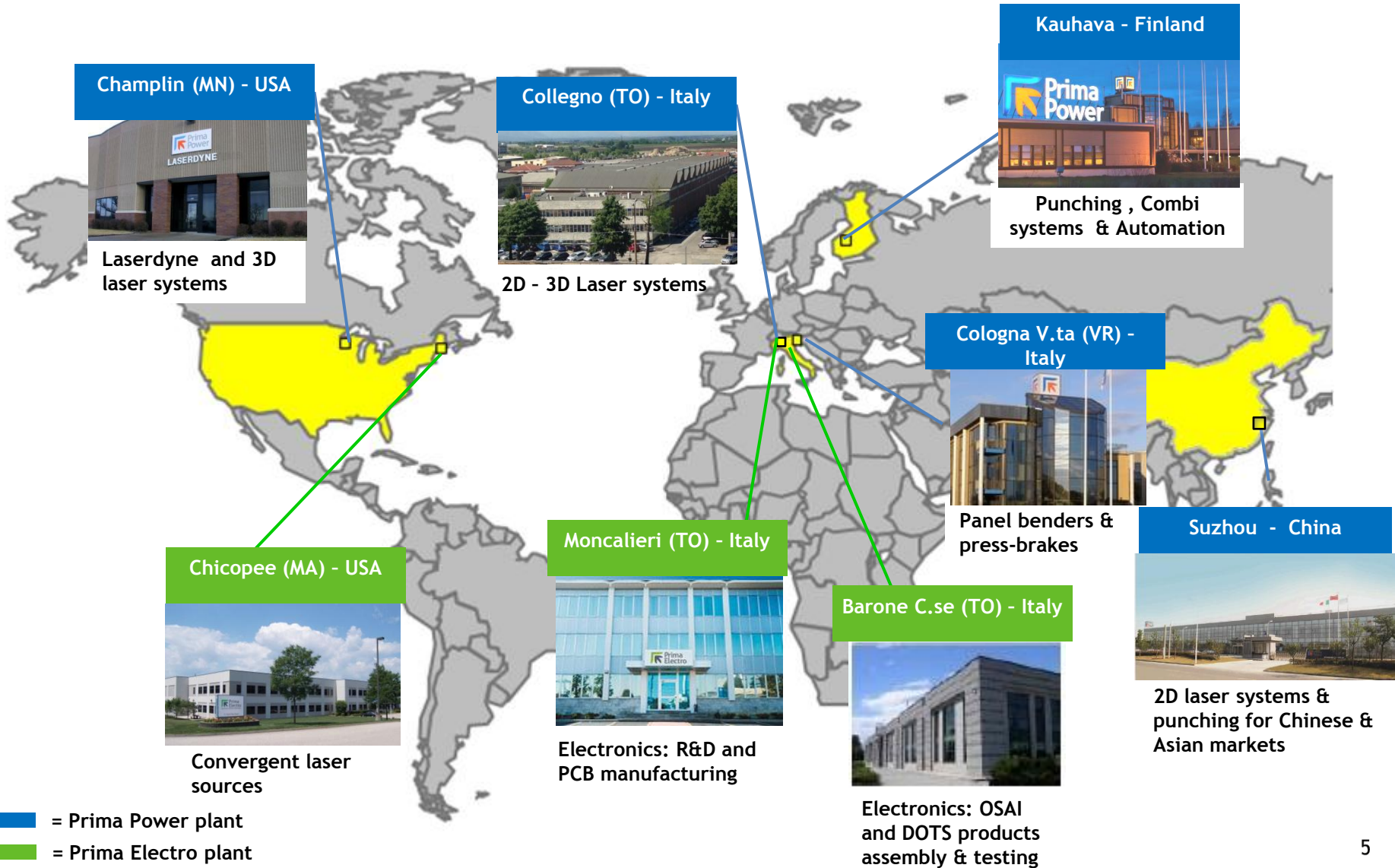
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LASER SOURCES

**Prima  
Electro**

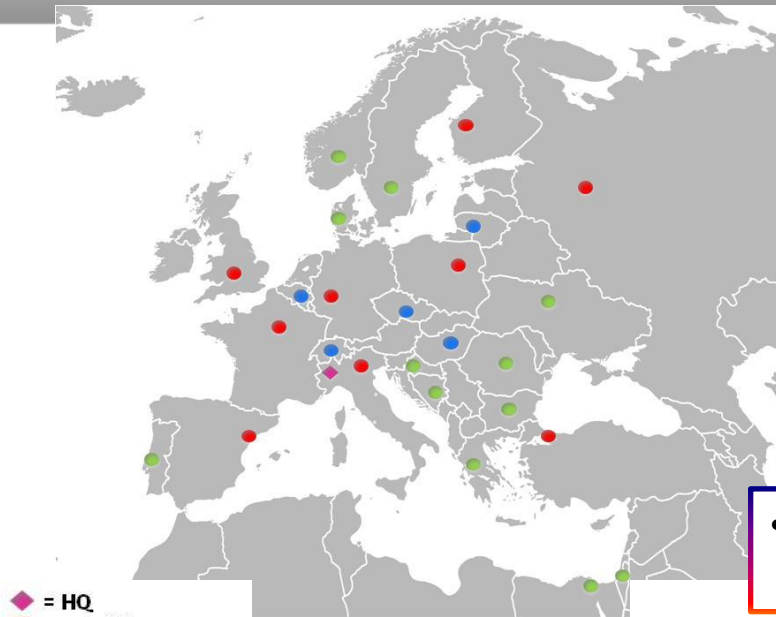


# Industrial footprint



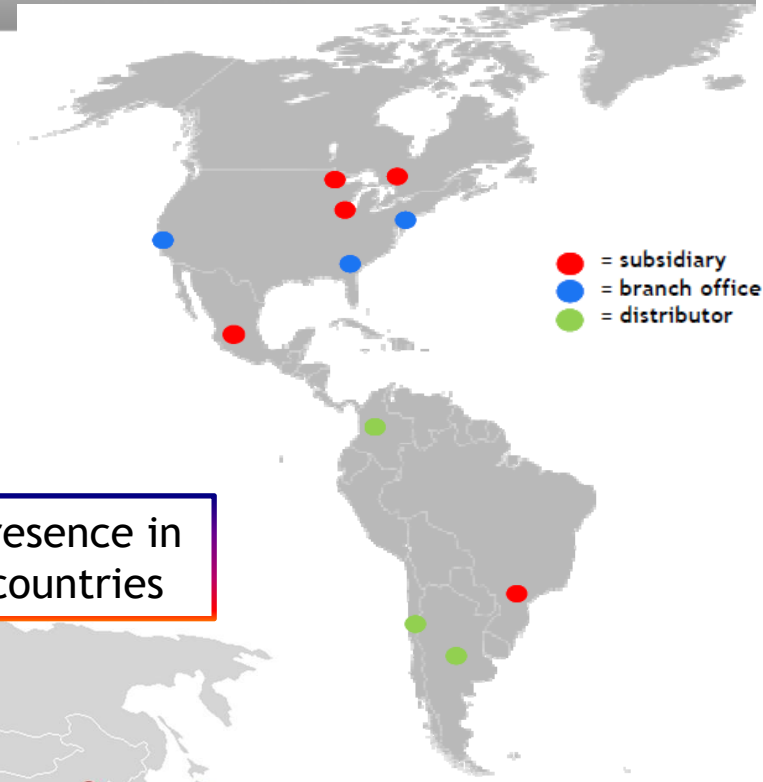


# Sales & service footprint

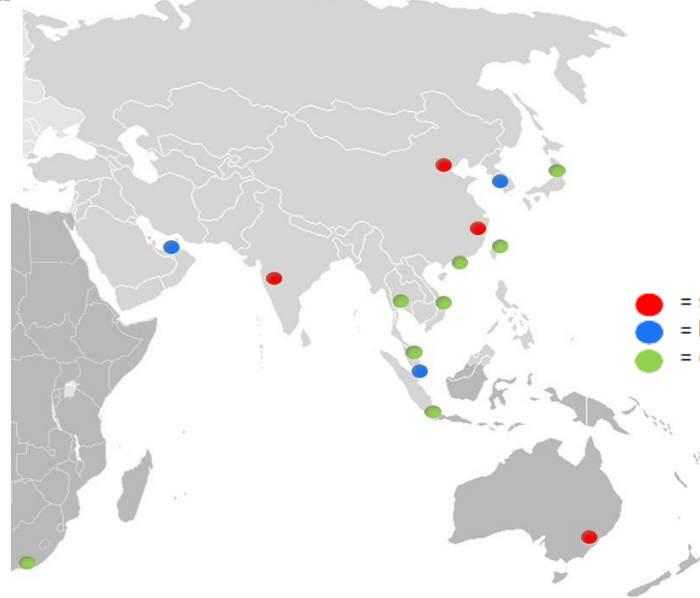


- ◆ = HQ
- = subsidiary
- = branch office
- = distributor/agent

• Direct presence in over 20 countries



- = subsidiary
- = branch office
- = distributor

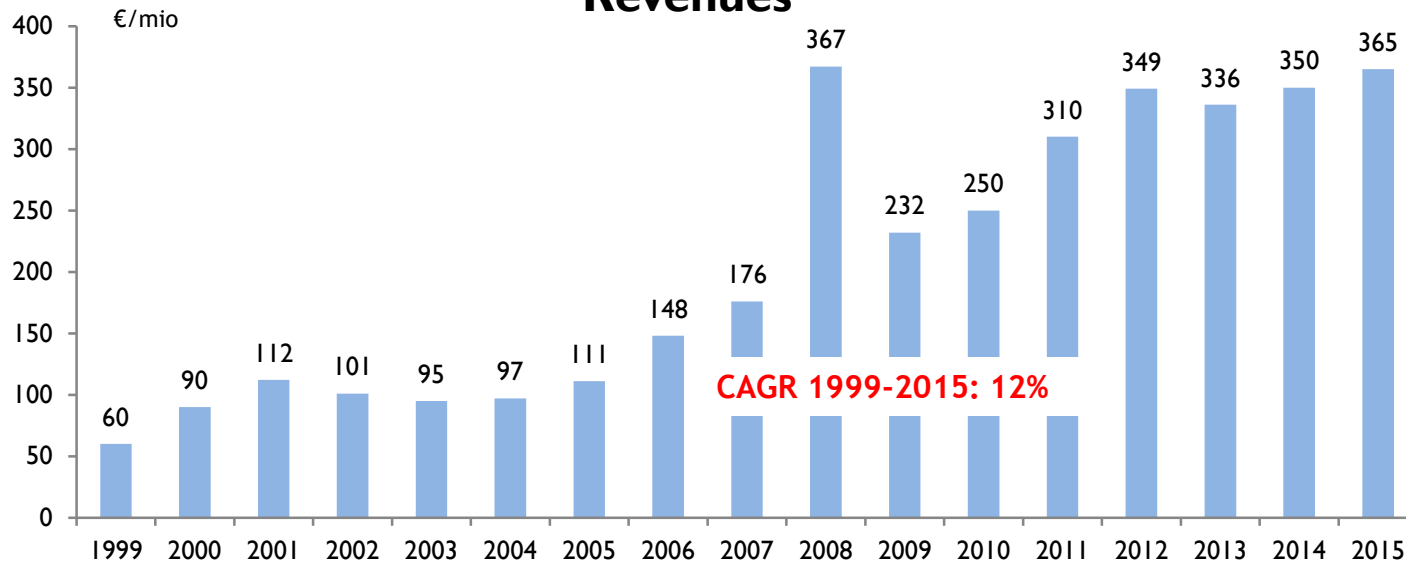


- = subsidiary
- = branch office
- = distributor



# A history of growth

## Revenues



1999  
• IPO on Italian Stock Market  
• First JV in China

2001  
• Acquisition of Laserdyne in the US (leadership in aerospace market)  
• JV in Japan

2000  
• Acquisition of Convergent Energy in the US (internalization of laser source)

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)

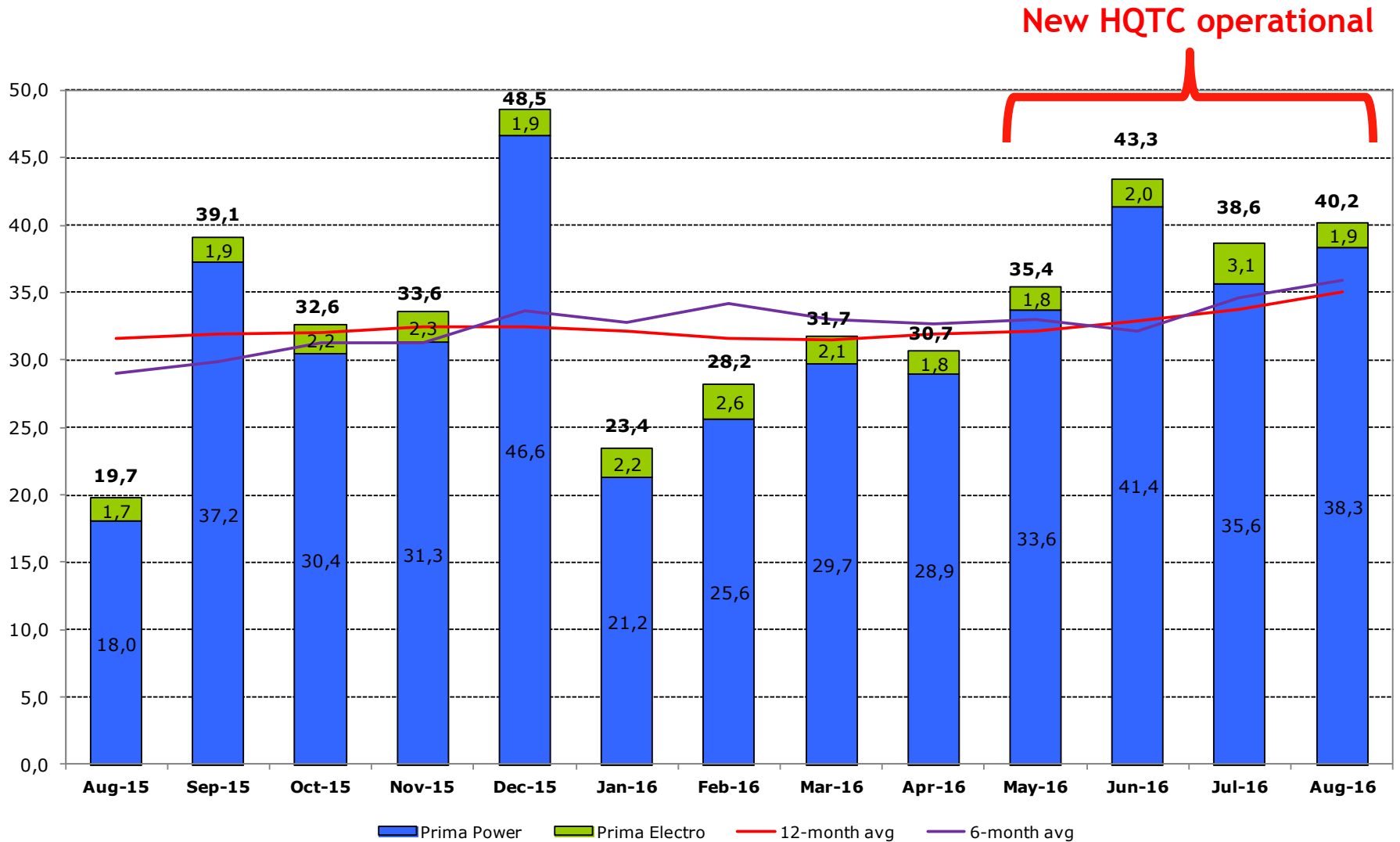
2009-2013  
• Reorganization of the commercial network in European countries  
• Factory rationalization  
• Establishment of new commercial subsidiaries in emerging markets (Brazil, India, Russia, Turkey, UAE, Australia, Mexico, Korea)

2014  
• New manufact. plant in China (Prima Power Suzhou)  
• New sales & service organization in China  
• Launch of Laser Next

2015  
• Launch of Laser Genius  
• China plant inaugurated  
• Groundbreak. of new HQ and Tech Center in Collegno



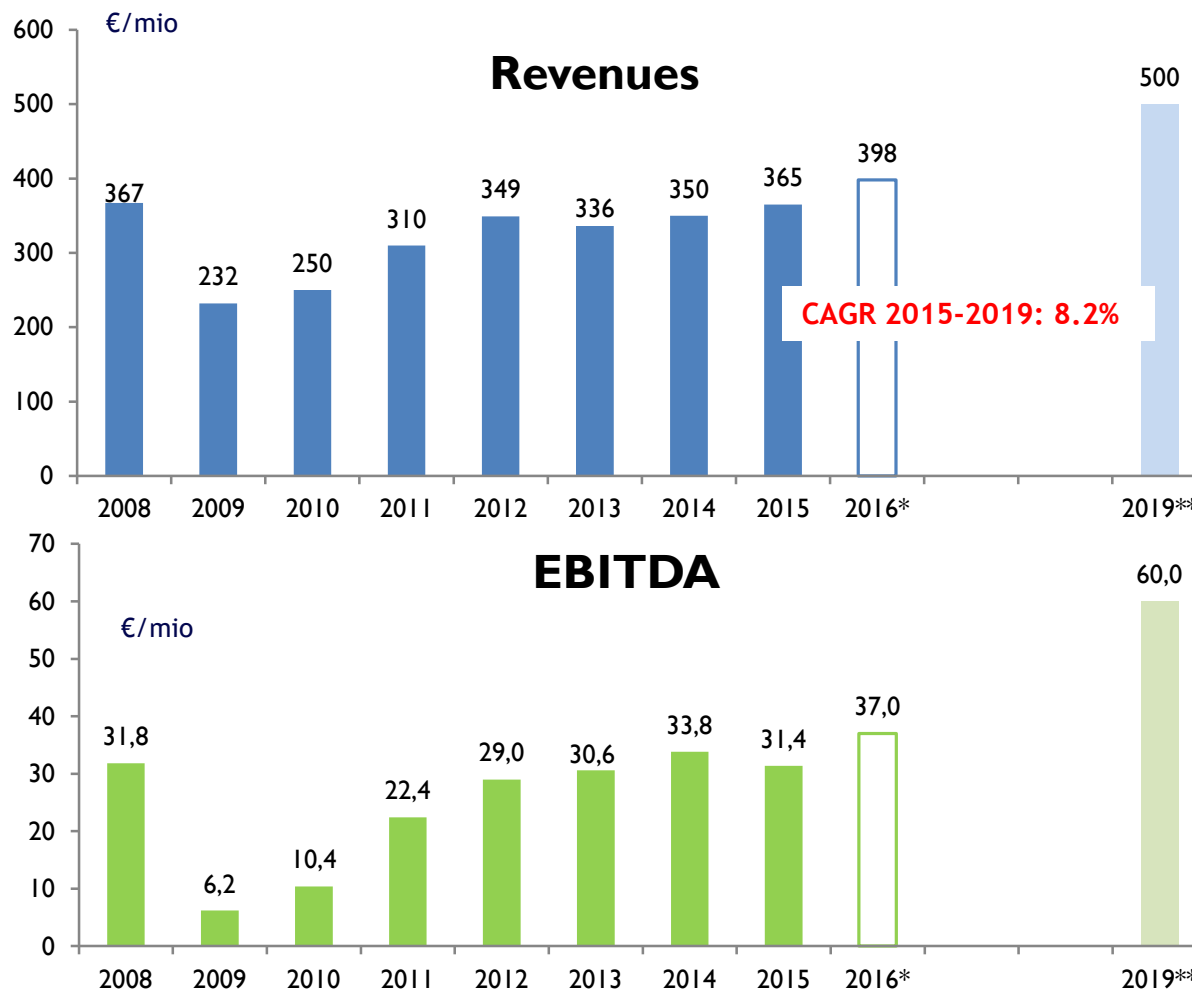
# Order intake last 12 months








# Economic trends



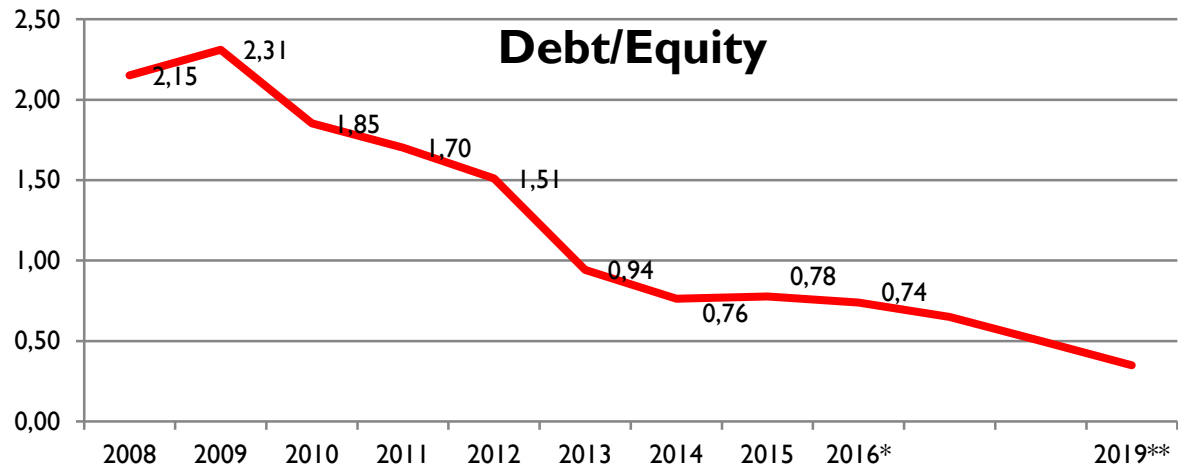
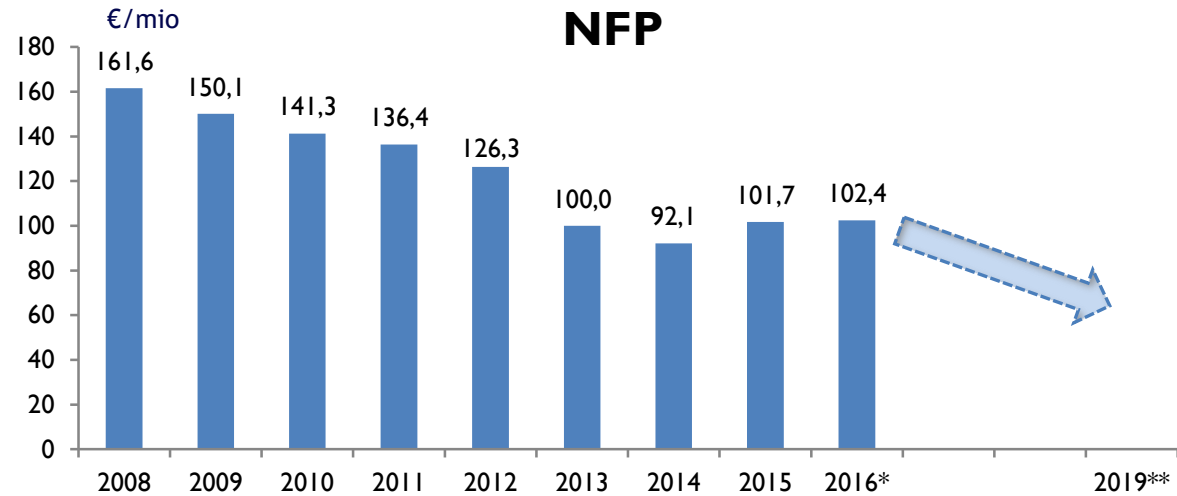
\* = according to analysts' consensus:  **BANCA IMI**  **Banca Akros**



Gruppo Bipiemme

\*\* = according to Company's business plan



# Net financial position trend



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

\*\* = according to Company's business plan



# Analysts' consensus

tp	2016			2017			2018			2019		
	B. IMI	B. Akros	Consensus	B. IMI	B. Akros	Consensus	B. IMI	B. Akros	Consensus	B. IMI	B. Akros	Consensus
	19,0	16,4		19,0	16,4		19,0	16,4		19,0	16,4	
REVENUES	400,0	395	397,5	435	428	431,5	470	454	462,0	500	479	489,5
EBITDA	38	36	37,0	45,7	43,2	44,5	53,1	51,1	52,1	60	56,6	58,3
EBIT	23,59	20,7	22,1	30,2	28,3	29,3	37,1	36,6	36,9	44	42,3	43,2
NET RESULT	10,6	9,9	10,3	13,9	14,6	14,3	18,1	20,1	19,1	22,2	23,9	23,1
NFP	-101,1	-103	-102,1	-92,7	-95	-93,9	-80,2	-87	-83,6	-64,5	n/a	-64,5

**CAGR 2016-201 consensus: 7.2%**



# Investments & initiatives

WE ARE INVESTING TO REACH NEXT UPPER LEVEL

## INVESTMENTS RELATING TO THE PERIOD 2014-2018

- CHINA SUZHOU PLANT & NEW SALES/SERVICE ORGANIZATION IN CHINA
- NEW HQTC (headquarters + tech centre)
- FIBER LASER
- DIODE FAB FOR FIBER LASER COMPETITIVENESS





# Investments & initiatives



CHINA INVESTMENT

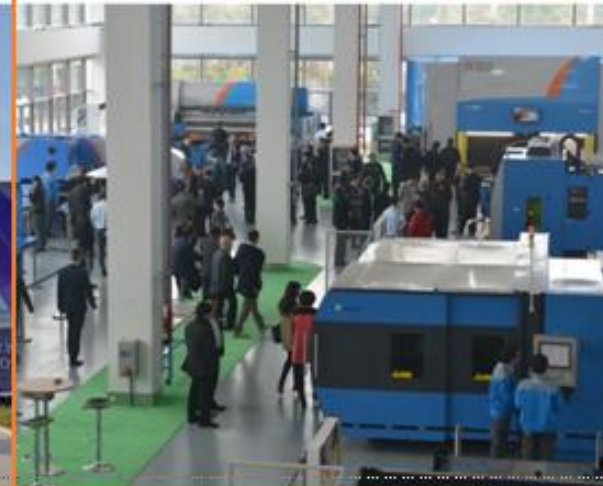
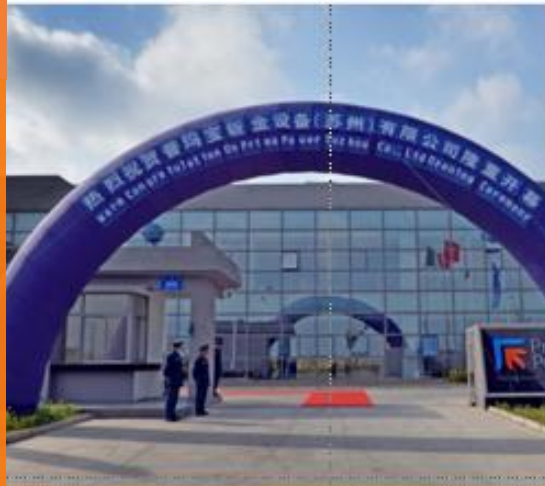
4.3 M€

NEW HQTC IN TORINO

8.5 M€

TOTAL INVESTMENT

12.8 M€





# Investments & initiatives

PRIMA  
INDUSTRIE

FIBER LASER

7.2 M€

DIODE FAB

7.9 M€

TOTAL INVESTMENT

15.1 M€





# Reference markets: machinery

## ELECTRICAL EQUIP, VENDING & DISTRIB. MACHINES

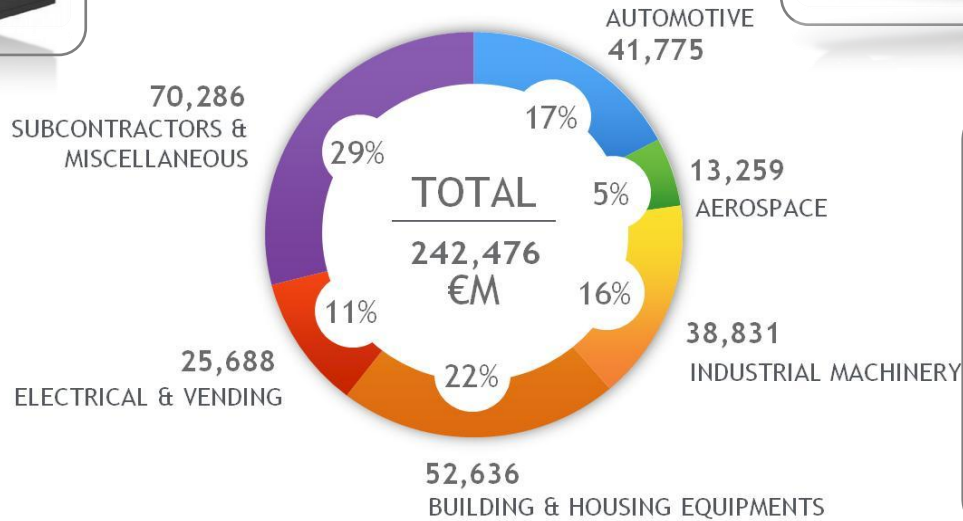


## BUILDING & HOUSING EQUIPMENT



## MACHINE REVENUES BY TECHNOLOGY

FY 2015



## AUTOMOTIVE



## AEROSPACE & ENERGY



## INDUSTRIAL MACHINERY





# A selection from our 2,000 customers ww



Logos of automotive customers:

- RENAULT
- VOLVO
- Audi
- BMW
- PROTON
- Ford
- FCA
- TATA
- MAGNA
- EDAG
- CECOMP
- GESTAMP
- ThyssenKrupp
- ORAN



Logos of aerospace and industrial customers:

- AIRBUS
- GE Aviation
- BOEING
- SAFRAN
- Honeywell
- Kale Pratt & Whitney
- Pratt & Whitney
- WSK „PZL-Rzeszów” S.A.
- TurboCare
- Solar Turbines
- mitsubishi
- ABB
- HITACHI
- SIEMENS
- HYUNDAI
- EMERSON
- Liebert.
- Kawasaki





# A selection from our 2,000 customers ww



## ELECTRICAL & VENDING EQUIP. - MISCELLANEA





# Revenues by technology



**Breakdown  
by technology  
FY2015**

32,067  
LASER SOURCES &  
ELECTRONICS

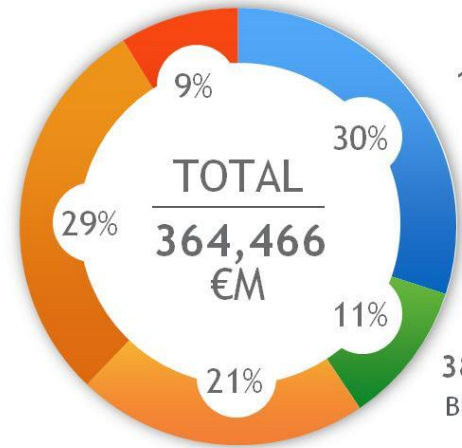


The Laser



The Combi

105,893  
AFTER SALES &  
MISCELLANEOUS



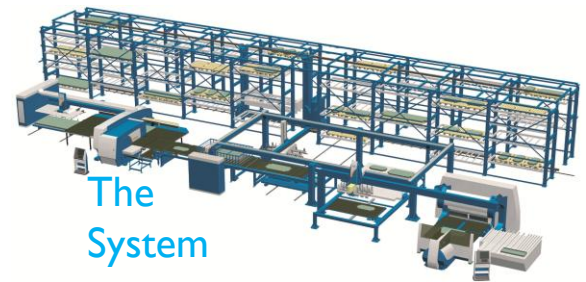
109,308  
LASER MACHINES



The Bend

38,588  
BENDING MACHINES

78,610  
PUNCHING MACHINES & SYSTEMS



The System



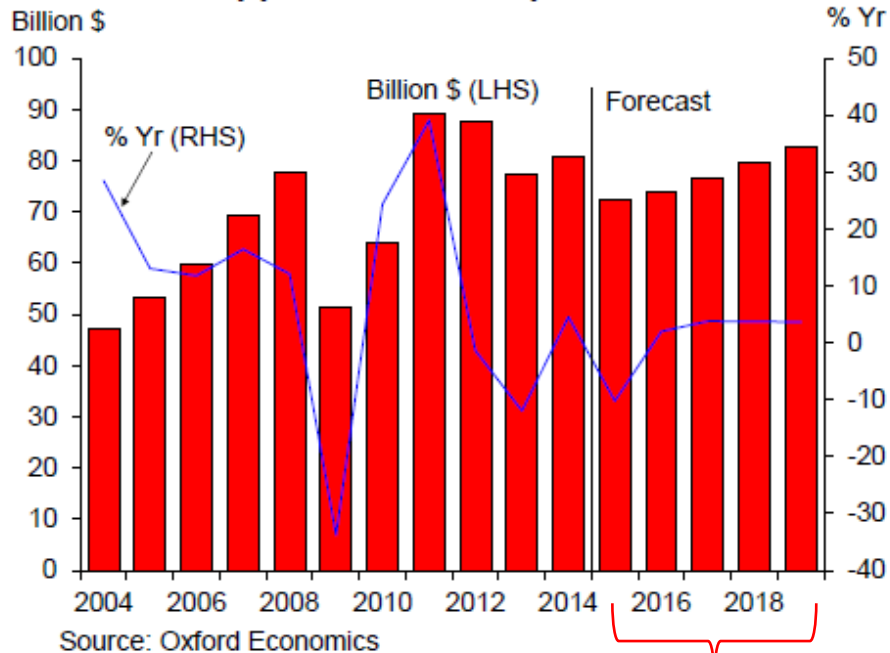
The Punch



# Market trends: machine tool market - by Oxford Economics (update Spring 2016)

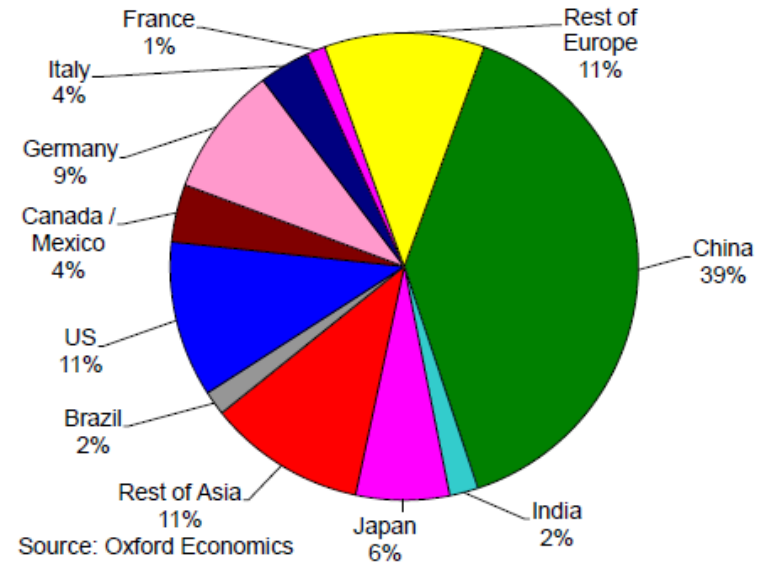


## World: MT Apparent consumption



CAGR 2015 -2019:  $\cong 4\%$

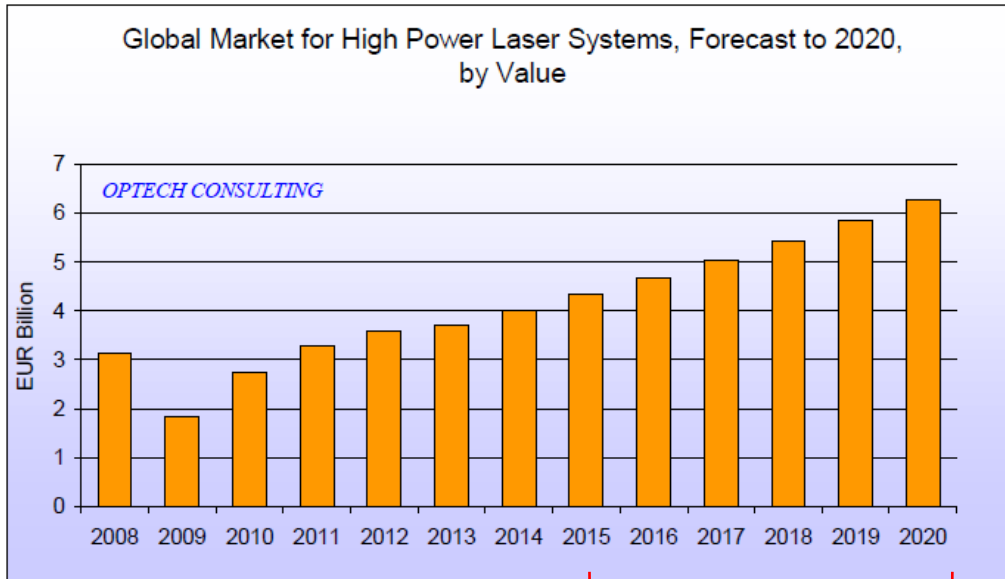
## World: Machine tool consumption in 2014



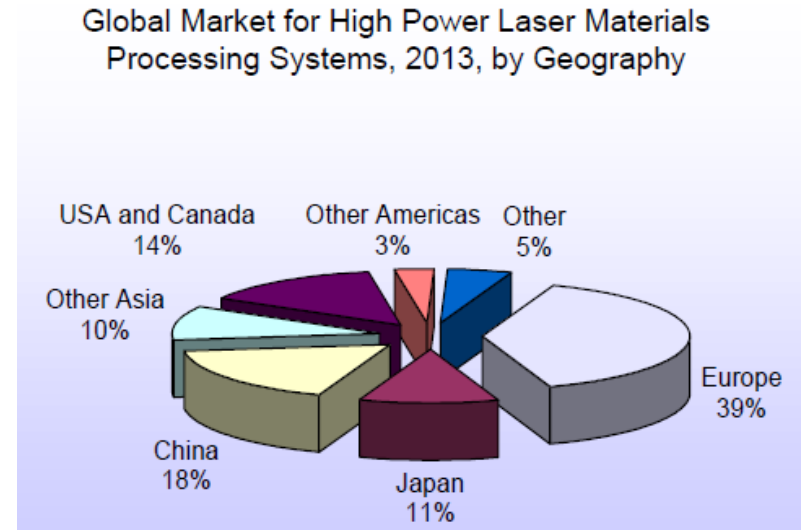


# Market trends: laser systems market - by Optech Consulting (last available January 2014)

## OPTECH CONSULTING



CAGR 2015 -2020: 7.7%



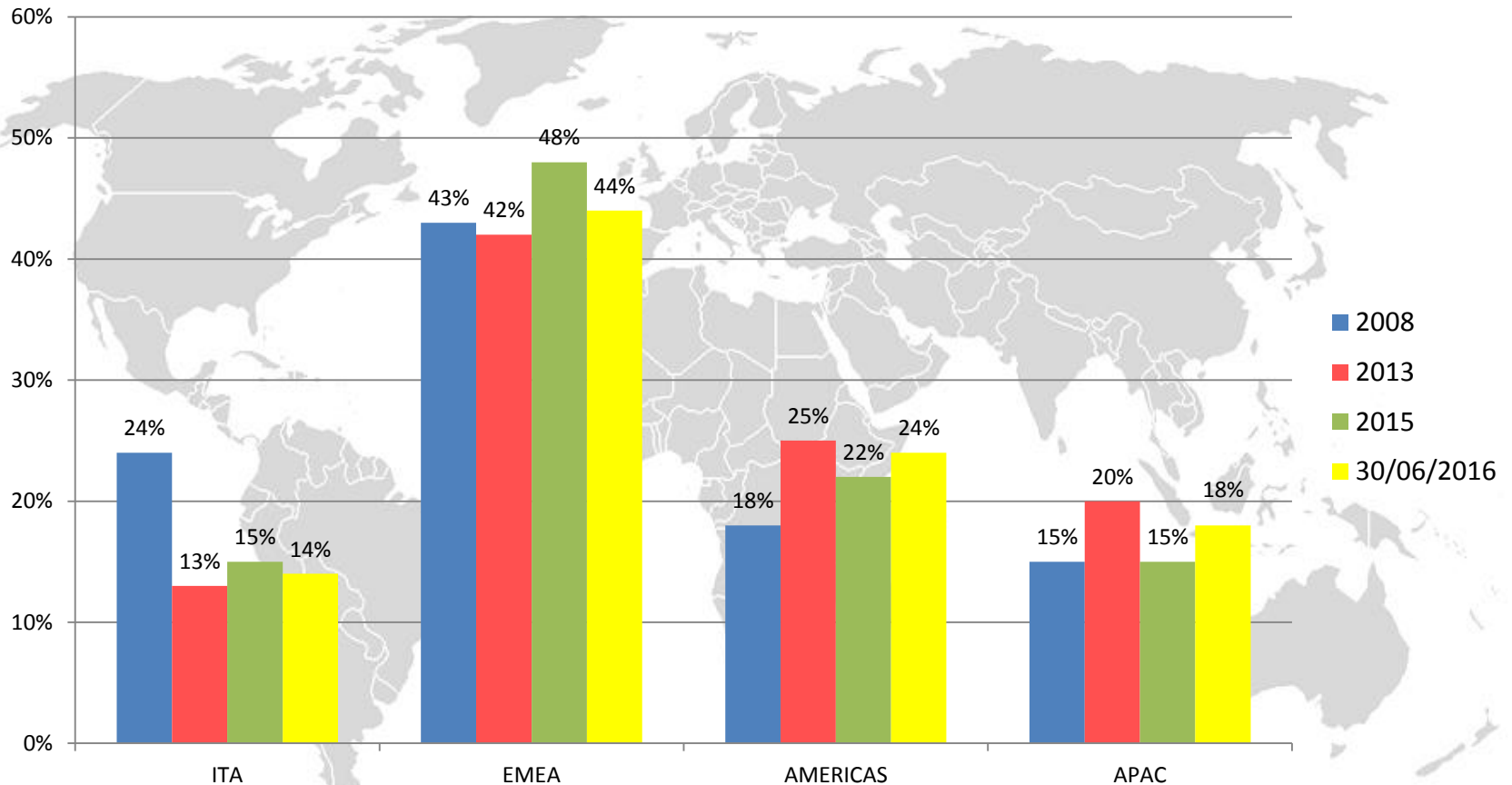
### Global market and forecast for high power laser systems

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



# The geographic diversification

## Revenues by geographic area



***”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 Power strategy for the Chinese machine tool market

## The “diamond” structure

MACHINES IMPORTED BY:



PRIMA POWER SUZHOU  
• SUZHOU  
• BEIJING  
• SHENZHEN

TOP RANGE

IMPORTS

PP Suzhou

THE “GOOD ENOUGH” MARKET

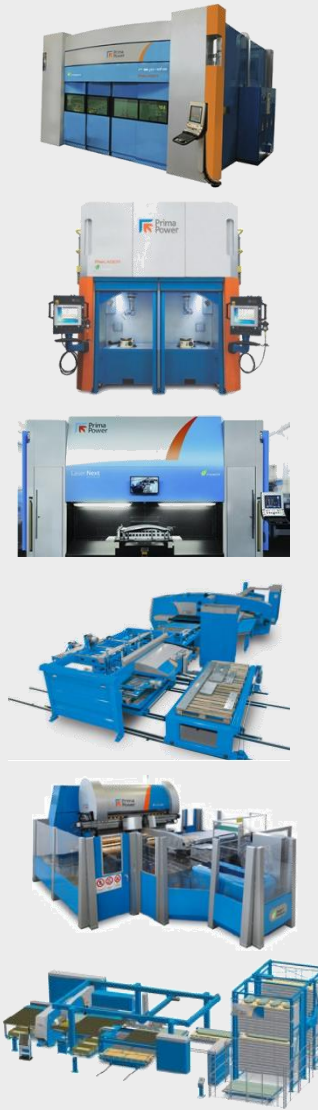
BOTTOM-END

LOW END

MACHINES MANUFACTURED BY:



PRIMA POWER SUZHOU





# 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**  
**Leepoort**

23



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



Laser Genius



Bce Smart



Combi Genius

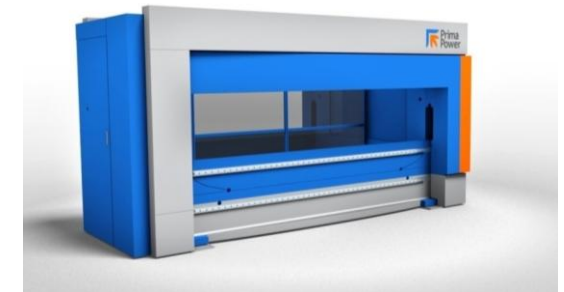
*R&D represents 6.5% of turnover*



Laserdyne 606D



Laser Next



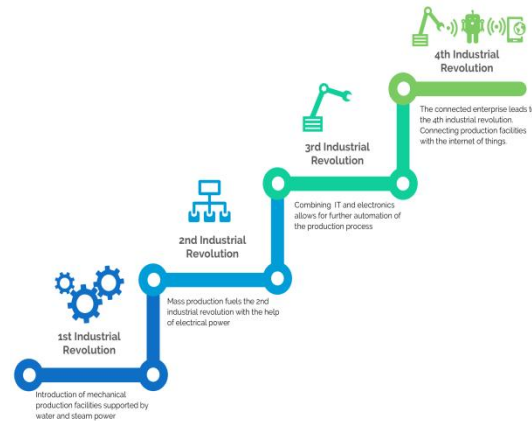
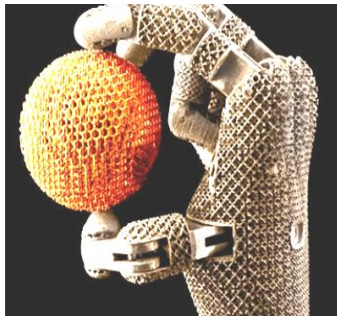
eP 2040





# R&D: 2019 and beyond

- ✓ 40 years of laser and mechatronics know-how.
- ✓ Leaders in photonics technology, considered as a key enabling technology at EU level.
- ✓ Participation to EU Additive Manufacturing projects, leading the Borealis project.



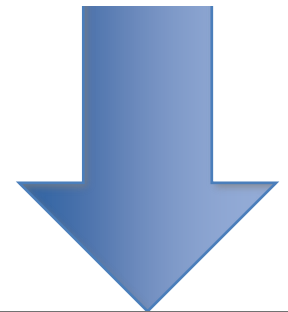
**Industry 4.0**



**2016**



**2019**



**FUTURE**



# Financial statements as at Jun. 30, 2016: Balance sheet

Values in Euro	30/06/2016	31/12/2015
Property, plant and equipment	34.654.519	28.465.557
Intangible assets	157.721.121	157.770.974
Investments accounted for using the equity method	1.163.429	1.223.555
Other investments	121.358	121.358
Non current financial assets	585.000	35.000
Deferred tax assets	11.118.035	9.845.765
Other non current assets	-	19.703
<b>NON CURRENT ASSETS</b>	<b>205.363.462</b>	<b>197.481.912</b>
Inventories	107.260.549	93.992.707
Trade receivables	82.174.945	86.413.895
Other receivables	10.066.704	8.019.131
Current tax receivables	7.029.793	7.029.222
Derivatives	137.665	47.225
Financial assets	241.509	791.509
Cash and cash equivalents	40.592.723	41.365.408
<b>CURRENT ASSETS</b>	<b>247.503.888</b>	<b>237.659.097</b>
Assets held for sale	284.000	284.000
<b>TOTAL ASSETS</b>	<b>453.151.350</b>	<b>435.425.009</b>

Values in Euro	30/06/2016	31/12/2015
Capital stock	26.208.185	26.208.185
Legal reserve	4.565.082	4.494.745
Other reserves	70.959.273	72.243.694
Currency translation reserve	4.794.001	5.965.409
Retained earnings	19.396.357	14.786.376
Net result	2.928.934	6.016.715
<b>Stockholders' equity of the Group</b>	<b>128.851.832</b>	<b>129.715.124</b>
<b>Minority interest</b>	<b>1.146.616</b>	<b>1.196.407</b>
<b>STOCKHOLDERS' EQUITY</b>	<b>129.998.448</b>	<b>130.911.531</b>
Interest-bearing loans and borrowings	119.046.036	117.805.350
Employee benefit liabilities	7.772.535	7.912.782
Deferred tax liabilities	10.371.777	10.518.305
Provisions	146.655	150.551
Derivatives	276.578	414.635
<b>NON CURRENT LIABILITIES</b>	<b>137.613.581</b>	<b>136.801.623</b>
Trade payables	92.337.889	78.323.460
Advance payments	20.556.368	21.385.159
Other payables	22.039.809	19.218.309
Interest-bearing loans and borrowings	25.791.434	25.700.281
Current tax payables	6.933.600	7.257.725
Provisions	17.880.221	15.796.491
Derivatives	-	30.430
<b>CURRENT LIABILITIES</b>	<b>185.539.321</b>	<b>167.711.855</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>453.151.350</b>	<b>435.425.009</b>



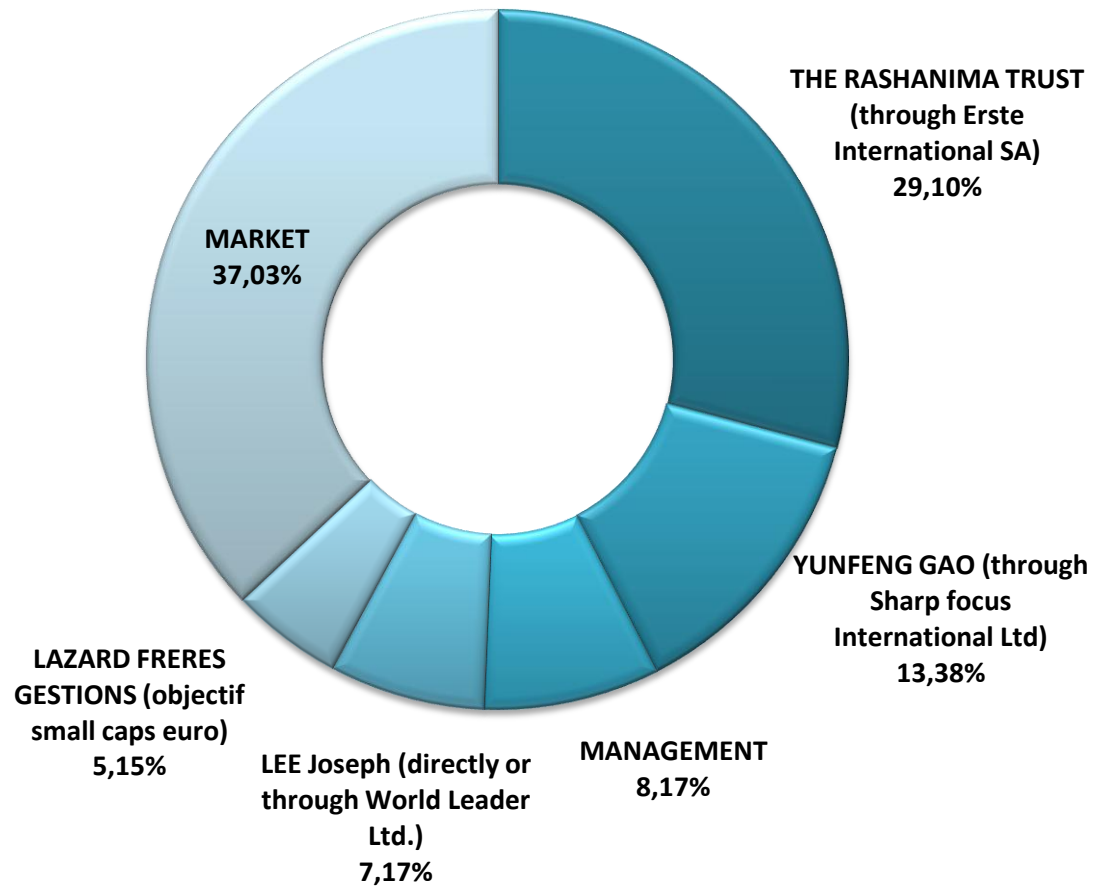
# Financial statements as at Jun. 30, 2016: P & L

Values in Euro	30/06/2016	30/06/2015 (*)
Net revenues	183.290.613	175.939.693
Other income	1.842.476	2.520.943
Change in inventories of finished goods and WIP	14.014.363	14.720.254
Increases in fixed assets for internal work	5.684.654	6.209.363
Use of raw materials, consumables, supplies and goods	(94.377.053)	(88.852.470)
Personnel cost	(51.849.846)	(51.861.623)
Depreciation	(7.571.376)	(6.466.200)
Impairment - Write-off	(127.443)	-
Other operating expenses	(43.823.647)	(43.990.624)
<b>OPERATING PROFIT</b>	<b>7.082.741</b>	<b>8.219.336</b>
<i>of which: non recurring items</i>	<i>(957.797)</i>	<i>455.371</i>
Financial income	538.316	262.305
Financial expenses	(3.609.964)	(5.023.080)
Net exchange differences	(542.028)	(285.137)
Net result of investments accounted for using the equity method	332.287	(105.000)
Net result of other investments	-	5.700
<b>RESULT BEFORE TAXES</b>	<b>3.801.352</b>	<b>3.074.124</b>
<i>of which: non recurring items</i>	<i>(625.510)</i>	<i>(1.667.256)</i>
Taxes	(871.146)	(1.817.014)
<b>NET RESULT</b>	<b>2.930.206</b>	<b>1.257.110</b>
- Attributable to Group shareholders	2.928.934	1.505.813
- Attributable to minority shareholders	1.272	(248.703)
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>0,28</b>	<b>0,14</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>0,28</b>	<b>0,14</b>

(\*) for a better comprehension, the 2015 figures related to non recurring items have been re-exposed compared to the figures published in the half year Financial Report 2015



# Shareholding structure



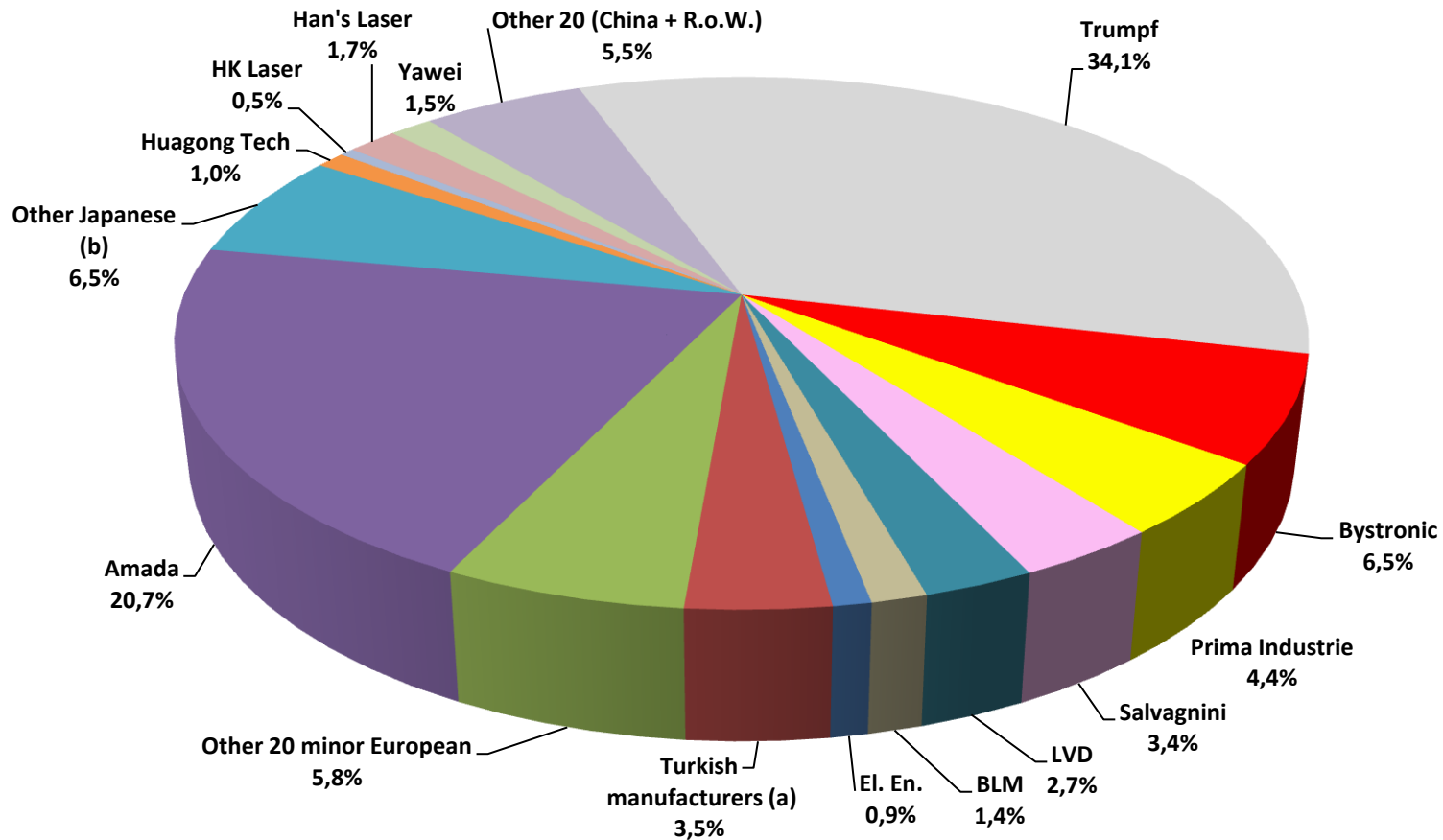


# ANNEX



# Laser & Sheet metal processing market

**Market size 2015\* : approx. 8.2 bn€**



\* = see notes on following page



# Laser & Sheet metal processing market

## ASSUMPTIONS

- Source for figures are: market public figures, company available info and company assumptions.
- In some cases market size may include also different products not fitting current Prima's product range such as plasma, water jet, tube cutting and bending applications, other machine tools.
- Where possible, in order to make market as homogeneous as possible, we have made the following assumptions:
  - Amada: revenues considered include only Sheet Metal Processing Machines Division;
  - BLM and Huagong Tech: we have included only 50% of revenues, considering the rest addressable to a different market;
  - Han's Laser: revenues considered include only High Power laser equipment segment;
  - El .En.: only Industrial revenues are included
- Turkish Manufacturers include: Durma, Ermaksan and Baykal (2015 figures are extrapolated from 2013 figures with an average growth rate).
- Other Japanese Manufacturers include: Mitsubishi, Mazak, Murata and Komatsu NTC
- Other 20 minor European manufacturers include: CY laser, Galdabini, Euromac, TTM laser, Warcom, Danobat Goiti, Adira, Kimla, Dimeco, Pivatic, Wemo, Ursviken, Messer, Balliu, Dener, Ras, Safan.
- Other 20 China + R.o.W. include: Nisshinbo, Komatsu Sanki, Tanaka, Newton, Sorg, Gasparini, Tailift, Sahjanand, Koike, Favor Laser, Sup/Smart Prima, Lead Laser, Jang Li, Golden Laser, AOL, Zhejiang Ares, Raycham, Viccam, Accurmax, Wisdom, etc.



# Competitors' recent results

		<i>six months at 30/06/2016</i>	<i>six months at 30/06/2015</i>	<i>change</i>
PI	EURO/mil	183,3	175,9	4,2%
Bystronic	CHF/mil	256,8	265,7	-3,3%
AMADA	Yen/mil	53.443	57.005	-6,2%
		<i>twelve months at 30/6/16</i>	<i>twelve months at 30/6/15</i>	
Trumpf	EURO/bil	2,8	2,7	3,7%



“Sales decreased in Europe and Americas but increased in Asia”

**TRUMPF**



“Double digit growth in Spain and France, but difficulties due to economic slowdown in China and Brazil and sanctions against Russia”.

