



**It's in
our nature
to evolve**

Gianfranco Carbonato

Executive Chairman - Prima Industrie SpA

Chiara Roncolini

Investor relations Manager - Prima Industrie SpA

27/05/20

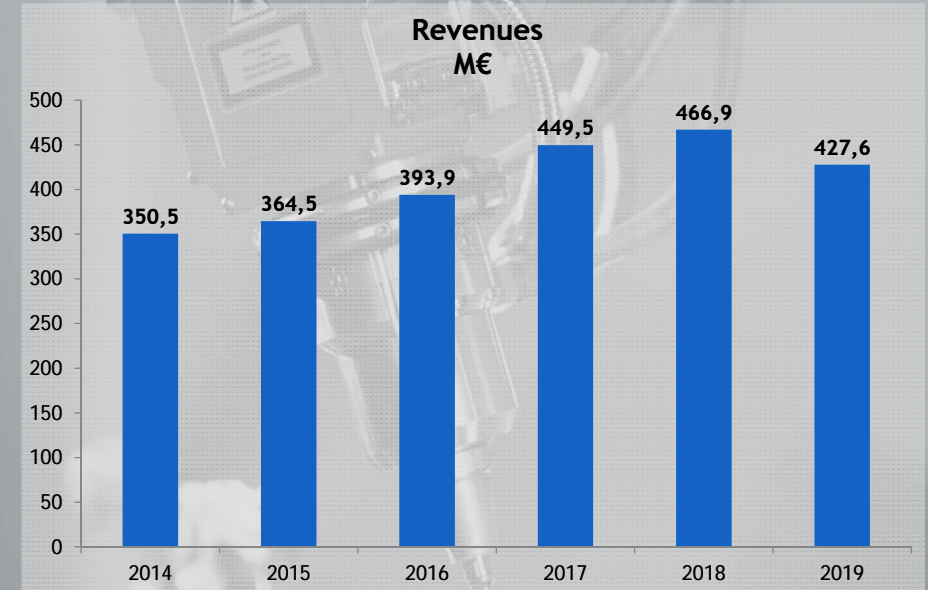
STAR Conference - Milan



- ▶ INCORPORATED IN 1977
- ▶ LISTED IN 1999 (20 YEARS)
- ▶ 8 PLANTS IN ITALY, FINLAND, USA, CHINA
- ▶ SUBS & BRANCH OFFICES IN ADDITIONAL 25+ COUNTRIES
- ▶ 5%+ INVESTMENT IN R&D
- ▶ ≈ 1800 PEOPLE
- ▶ 13,000+ MACHINES IN 80+ COUNTRIES

2019 RESULTS

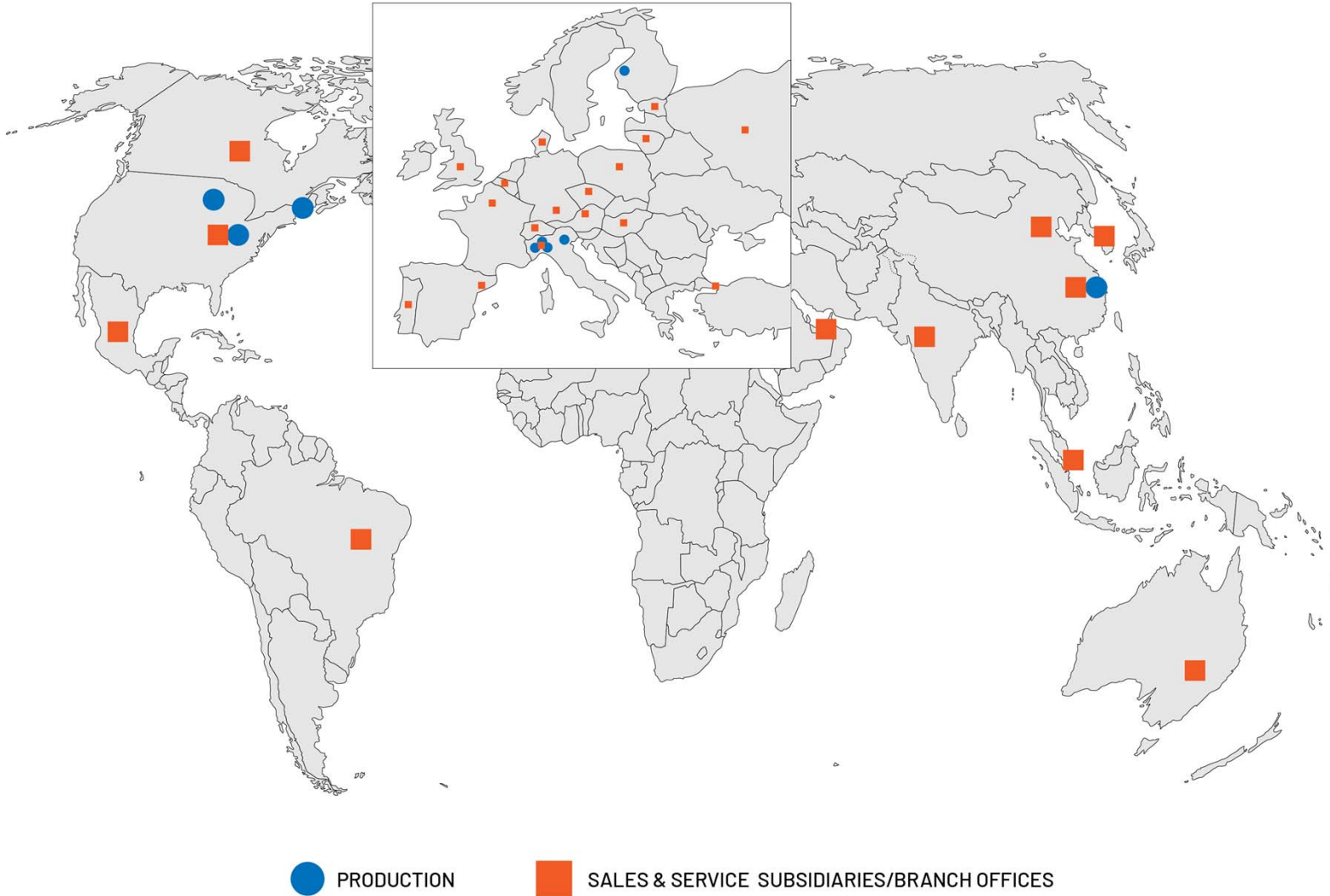
428 M€ SALES
9 M€ NET PROFIT



CAGR 2014 - 2018
7,5%

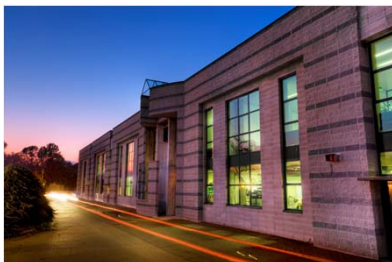
-8,4%

**DIRECT PRESENCE IN ≈ 30 COUNTRIES -
ADDITIONAL 50 COUNTRIES COVERED BY DEALERS OR AGENTS**





2D - 3D Laser
Collegno (ITALY)



Laser -Electronic systems -
Barone C.se (ITALY)



Electronics -
Moncalieri (ITALY)



Panel Benders - Press brakes
Cologna V.ta (ITALY)



Punching - Combi - Systems - Seinajoki (FINLAND)



WW HQ & TECH CENTER - Turin (ITALY)



Sales & service - Munich (GERMANY)



CHINA HQ - Suzhou



US HQ - Chicago



Laserdyne - Minneapolis (USA)

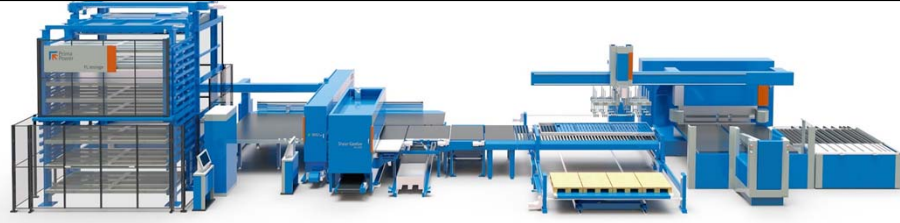


Convergent Lasers - Chicopee (USA)

LASER MACHINES



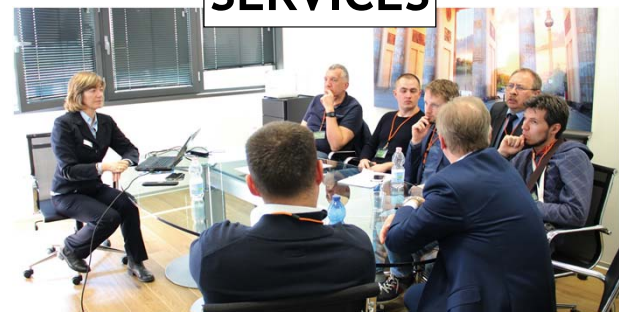
SHEET METAL PROCESSING MACHINES & SYSTEMS



ELECTRONICS & LASER SOURCES



SERVICES



ADDITIVE MANUFACTURING



OUR BRANDS



**LASER AND SHEET METAL
FABRICATION MACHINERY**

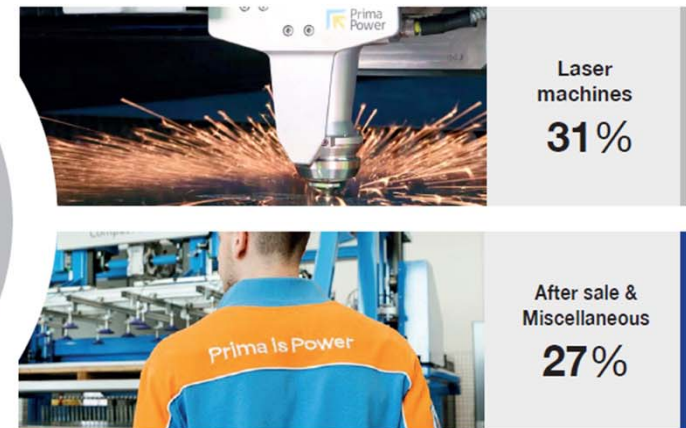
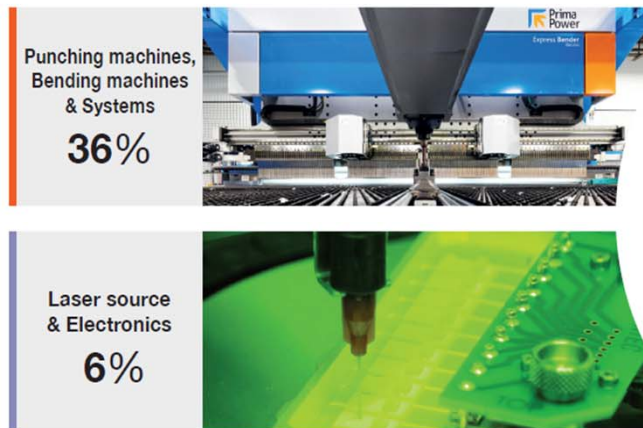


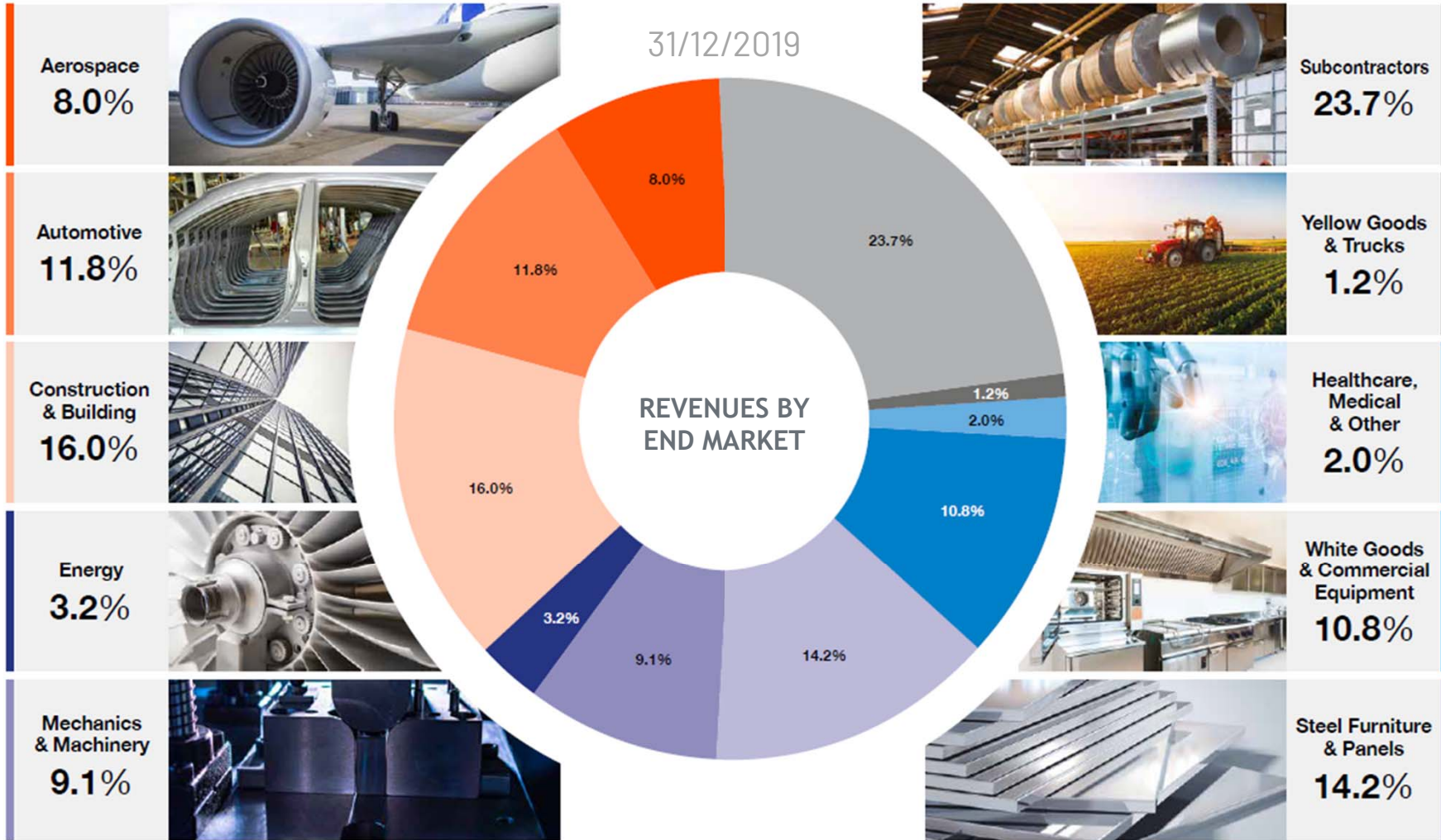
**ELECTRONICS AND
LASER TECHNOLOGIES**



**METAL ADDITIVE
MANUFACTURING SOLUTIONS**

REVENUES BY TECHNOLOGY 31/12/2019





31/12/2019

EMEA

62%

18.0% ITALY

9.5% EASTERN EU

7.3% NORTH & BALTIC

7.2% D-A-CH

6.9% SPAIN & PORTUGAL

11.4% OTHER EMEA

1.7% OTHER M.E. & AFRICA

AMER

25%

21.7% USA

3.3% OTHER AMER

APAC

13%

9.9% CHINA

3.1% OTHER APAC



31/12/2019

TOTAL: 1781 EMPLOYEES**EMEA****1434**

799 ITALY
409 FINLAND
50 D-A-CH
46 SPAIN
37 RUSSIA
33 EASTERN EU
26 FRANCE
18 UK
16 TURKEY

AMER**248**

214 USA
34 OTHER AMER

APAC**99**

86 CHINA
13 OTHER APAC



INVESTMENTS FOR GROWTH, EFFICIENCY AND SUSTAINABILITY



CUSTOMER FIRST

- Wide range of services for the whole life cycle of the system
- 500 skilled field service engineers around the world
- Training and Technology Centers with specialists dedicated to consultation, tests, cycle time studies, training
- 24-hour hotline service and delivery of consumables and spare parts for regular maintenance assured in 8 to 24 hours
- Online Industry 4.0 services, e.g. Fleet Management, Teleservice, spare parts online order, AR applications



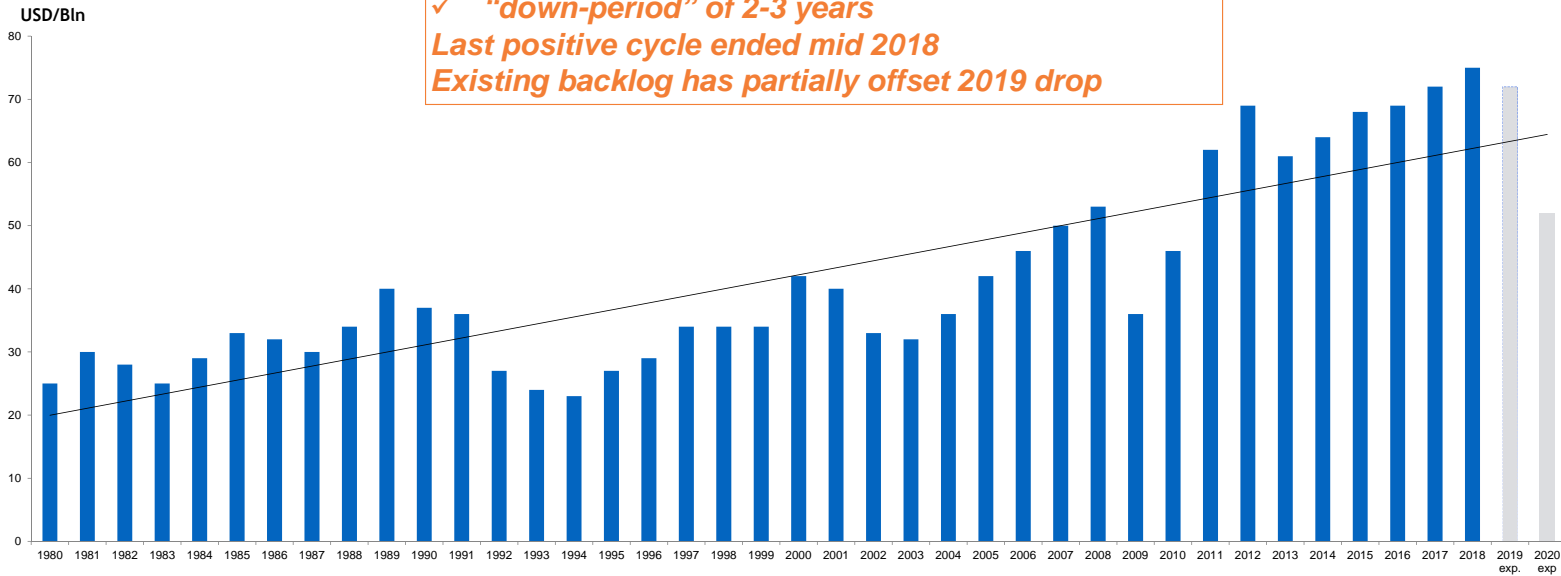
THE MACHINE TOOL MARKET

Connecting global innovation.



Machine tool world market

Secular growth with relevant cyclicality, with:
 ✓ “up-period” of 7-8 years and
 ✓ “down-period” of 2-3 years
 Last positive cycle ended mid 2018
 Existing backlog has partially offset 2019 drop



1979 second oil crisis



1992 first Gulf war



2001 September 11



2008 subprime financial crisis



2019-2020



Automotive revolution

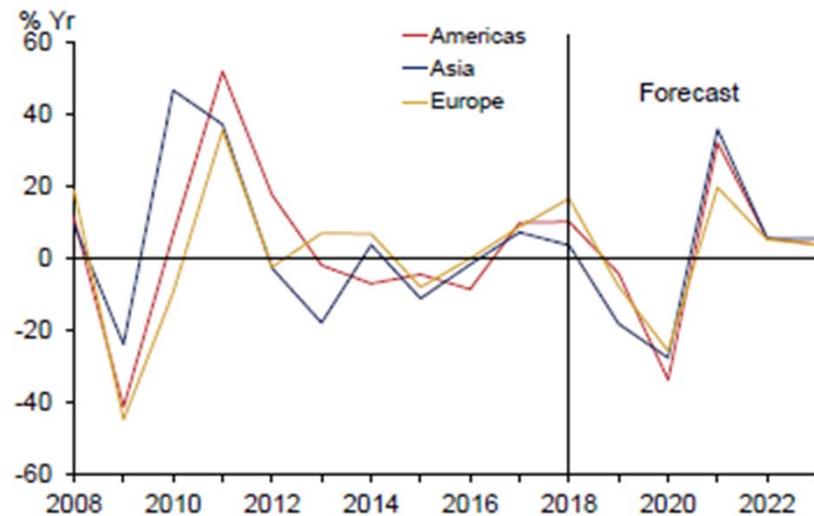


US - China trade war



COVID-19

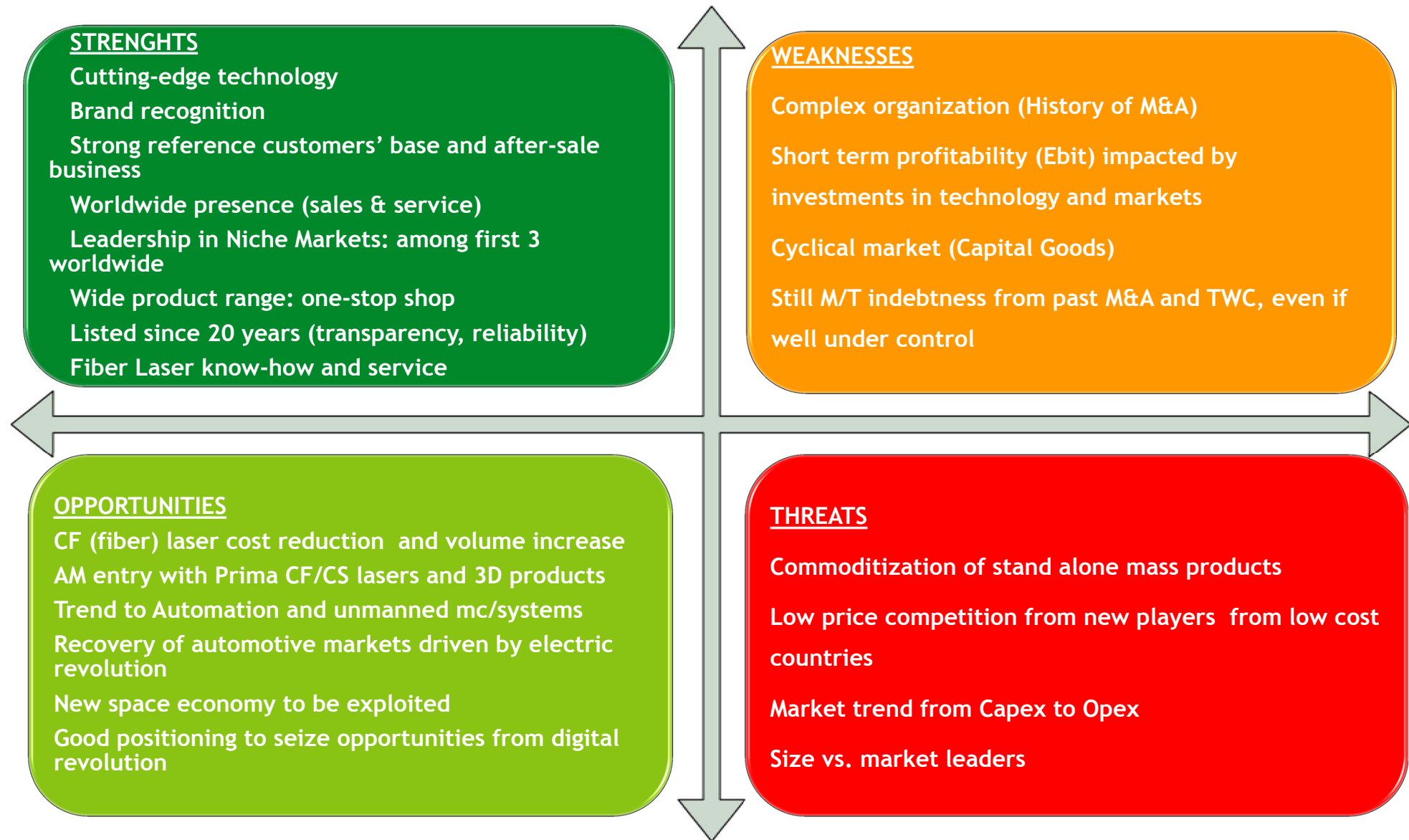
Apparent consumption



Source: Oxford Economics

The coronavirus pandemic has dashed hopes for an MT recovery, making a sharp contraction this year inevitable - though a strong rebound is expected in 2021 as activity returns to normal. However, prior to the outbreak, domestic orders had weakened considerably in H2 2019 suggesting a much deeper contraction in MT demand.

We expect global MT consumption to drop by 28.3% in 2020 before rebounding by 33% in 2021.



Prima products are present on two different market segments, with very different features

-A- MASS MARKETS

Market size >1b€/each
Market share <5%

Markets:

- 2D Lasers stand-alone
- Punching machine stand-alone
- Hydraulic/Hybrid press brakes stand-alone
- Fiber Lasers

Our Mission is to have market share on a mid/high end of each of the above markets
Positioning strategy is paramount

...Just like a car "Premium" manufacturer needs A and B models...

MARKET SHARE < 5%

-B- NICHE MARKETS

Market size <500m€/each
Market share >20%.
One of first 3 companies worldwide.

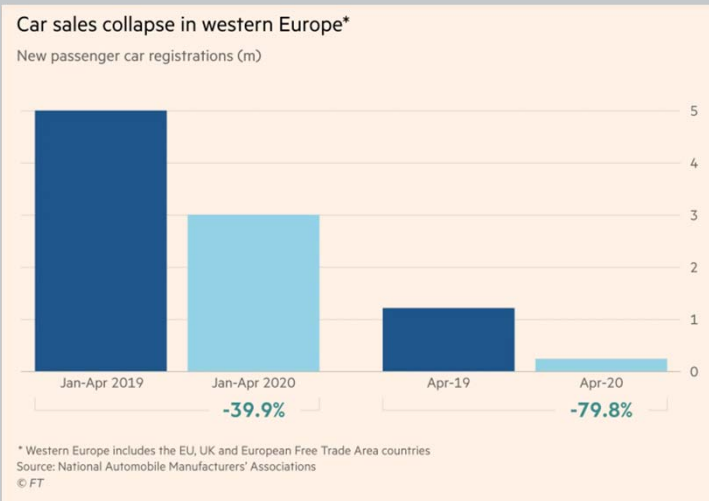
Markets:

- 3D Cutting Lasers. PP rank 2nd
- Shear-Punch. PP rank 1st
- Panel Bending. PP rank 2nd
- Systems. PP rank 1st/2nd
- e-Brakes . PP rank 2nd
- 3D Drilling Lasers. PP rank 1st
- AM DeD. PA rank 2nd as target

MARKET SHARE > 20%

AUTOMOTIVE SECTOR IS STRUGGLING

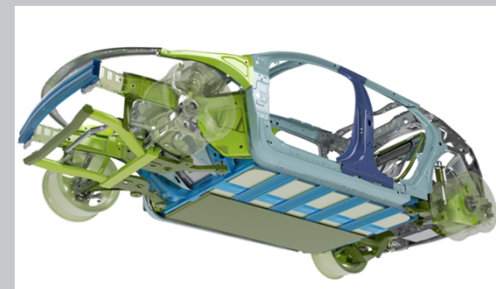
- The automotive industry was facing major challenges around the world: electrification, autonomous drive and new ownership business models.
- The impact of Covid-19 struck very hard, with sales in Europe down 70-80 % in March/April 2020.



- On the opposite China, which was impacted earlier by both the automotive crisis and the pandemic, is showing the first signs of a recovery.

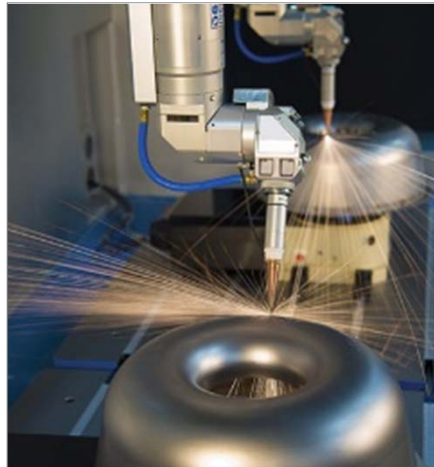
OUTLOOK

- The car industry is expected to recover in the medium term.
- The pandemic could have eventually a positive impact towards a shift from public transportation to private vehicles.
- 3D laser cutting of hot stamped parts is the main application of Prima 3D Laser machines and can apply to both fuel and electric vehicles
- Forecast growth of the hot stamping market was 11% (source: Roland Berger).



AERO & SPACE MARKET TRENDS

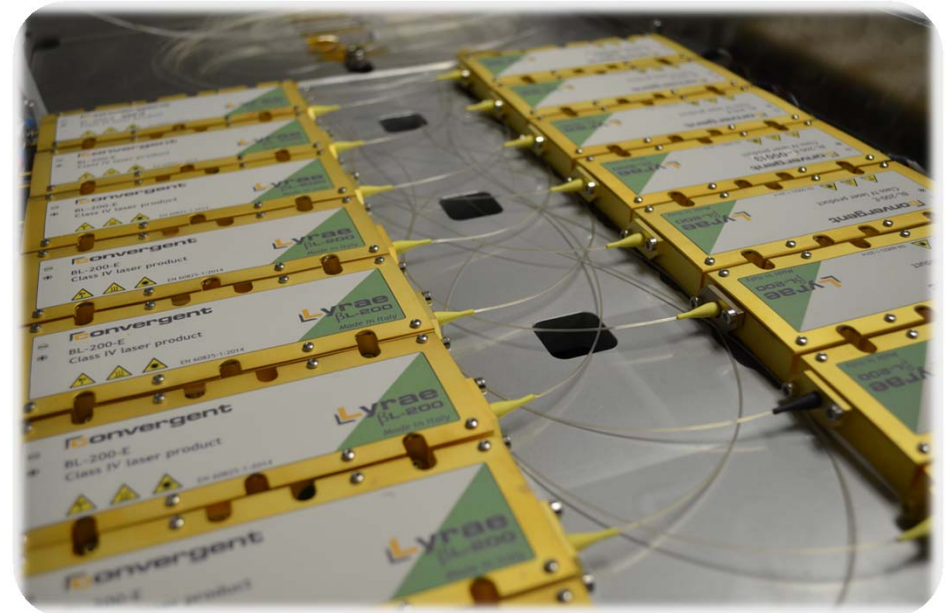
- Before the Covid-19 pandemic, the aerospace industry was expected to continue **its growth trajectory** with commercial aircraft production and strong defense spending.
- The pandemic hit hard on the civil aerospace: **global air traffic has been brought to an almost complete standstill by the COVID-19 outbreak.**
- Experts remain optimistic about the sector's longer-term prospects, saying the industry will recover and that the downturn may spark innovation and revenue diversification
- Defense aerospace and space economy instead appear to be resilient to the crisis.



PROPRIETARY FIBER LASER TECHNOLOGY

- ✓ According to external research (Strategies Unlimited) this sector is expected to grow with an overall CAGR of 5.3% and this includes not only industrial applications but also many other markets that represent an opportunity for Prima (e.g: medical applications).
- ✓ Convergent product aligned to the performances of market leader product.
- ✓ Vertical company: all the laser components are produced in home with very few elements purchased externally (active fiber and low-tech components), with a strong control of the technologies used. This also made it possible to obtain competitive costs even with volumes significantly lower than competitors, allowing us to look optimistically at the competitiveness that is expected to improve in the future thanks to the growth in production volumes.
- ✓ High efficiency diodes state of the art: this sector could represent an additional stand alone market (expected growth rate: doubling volumes between 2017 and 2023).

We are 1 of the 10 companies only controlling this technology worldwide



PRODUCT RANGE

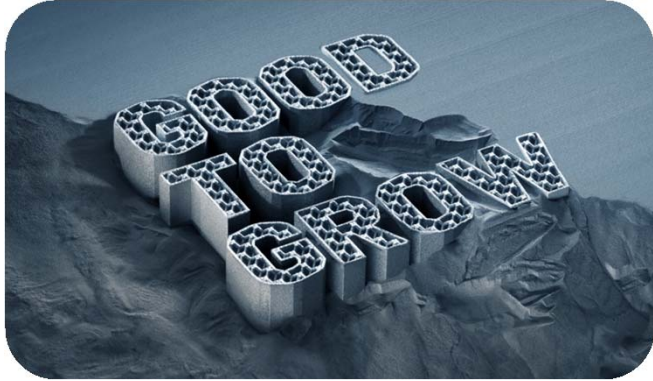
Our Lasers and power sizes



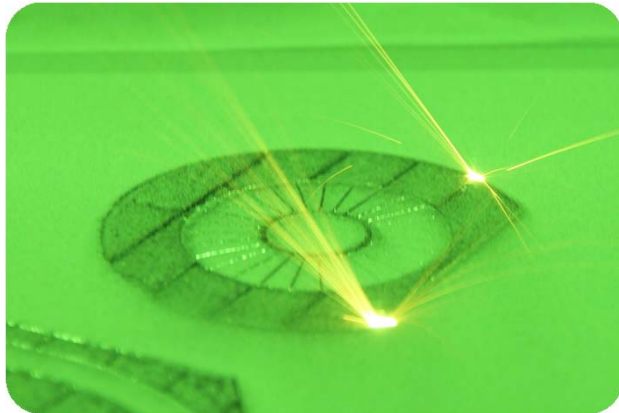
ADDITIVE MANUFACTURING

- Since several years Prima Industrie is investing in Additive Manufacturing (AM) technologies, **leveraging on internal know-how on fiber laser.**
- Prima Industrie is one of the few competitors investing in this technology which is expected **to further boom in the next years.**
- In 2019 AM contribution to Prima Group revenues is still marginal (approx. 2%) but expected to **substantially grow** in the next years.
- Prima Additive division (PA) has been established in 2018 and a **new dedicated building** has been completed in 2019.
- PA is active on both main AM technologies (**Powder Bed Fusion** and **Direct Energy Deposition**).
- PA exhibited for the first time at **Formnext 2019** in November in Frankfurt (main AM world exhibition).
- **A set of new products** is currently being introduced to the market.



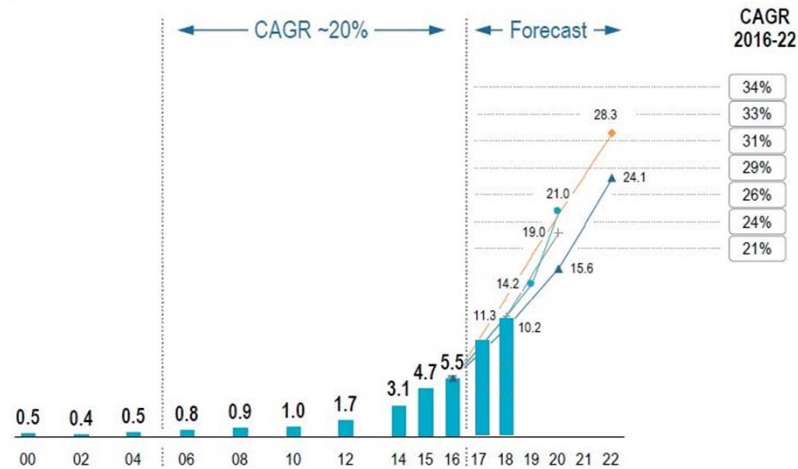


INNOVATIVE TECHNOLOGY FOR INNOVATIVE APPLICATIONS



Global AM market

Development of metallic AM market¹⁾ 2000-2022 [EUR bn]²⁾



Growth estimate source: — Wohlers Associates — Canalis — MarketsAndMarkets — Smithers Pira

1) World production excl. parts/accessories; 2) FX rates as per Bundesbank, forecast based on 05/17 EUR/USD rate

Source: Expert interviews; Wohlers Associates (2017); Canalis (2016); MarketsAndMarkets (2016); Smithers Pira (2016); Roland Berger



Circular Economy

The Prima Additive approach is inspired by the Circular Economy vision as the strategic mean to fully exploit the value of Additive.



Less material used

compared to traditional manufacturing methods



Design strategies

for extending product lifecycle



Possibility to repair parts

to return a used product to its original performance



Possibility to add custom parts to existing pieces

to add further value without producing new parts



Recycling

of powders to close the material loop



In a circular economy, the value of products and materials is maintained for as long as possible. Waste and resource use are minimized, and when a product reaches the end of its life, it is used again to create further value. This can bring major economic benefits.

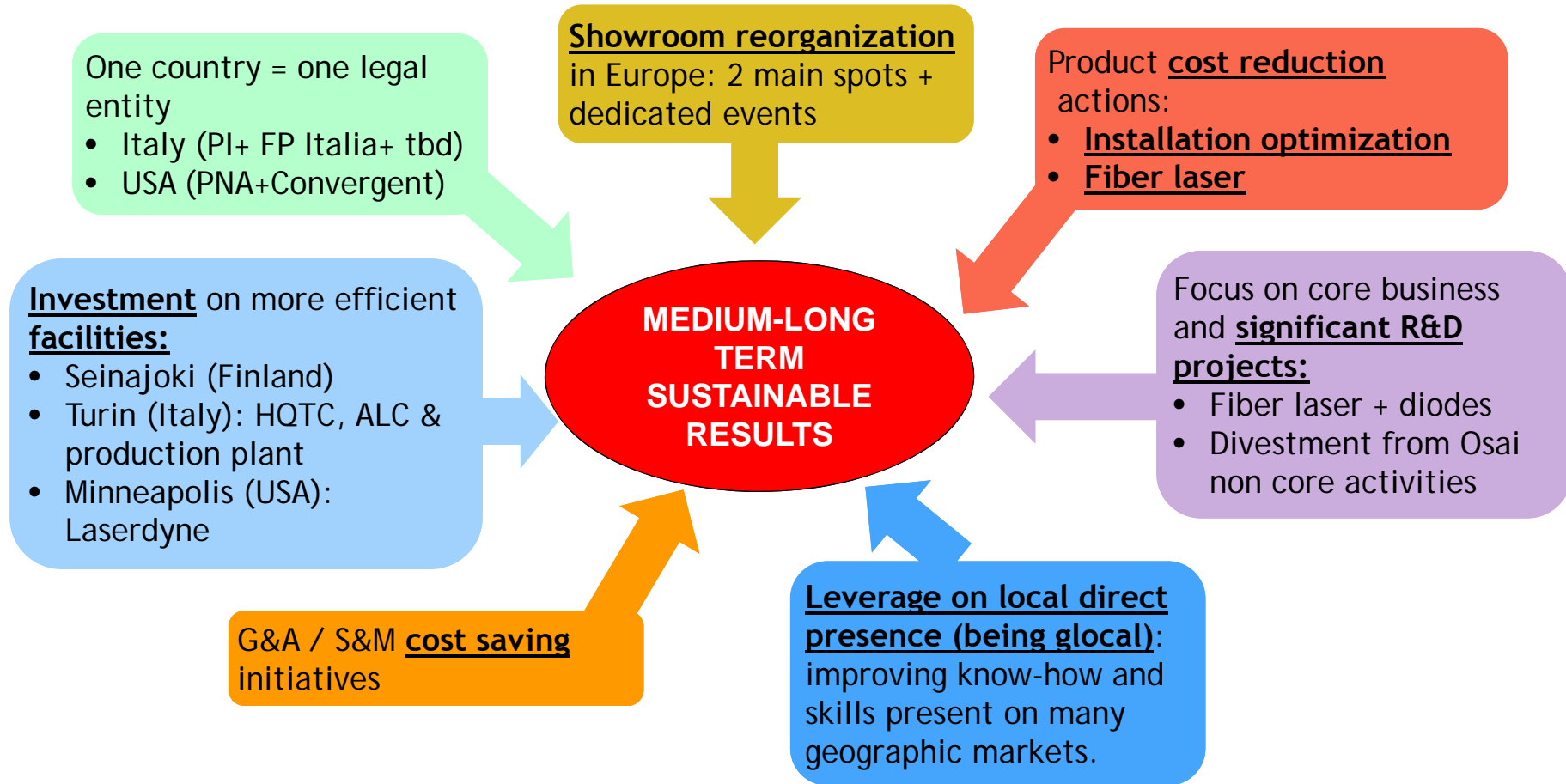
ENVIRONMENT



CIRCULAR ECONOMY
Inspired




GROUP REORGANIZATION & REFOCUSING



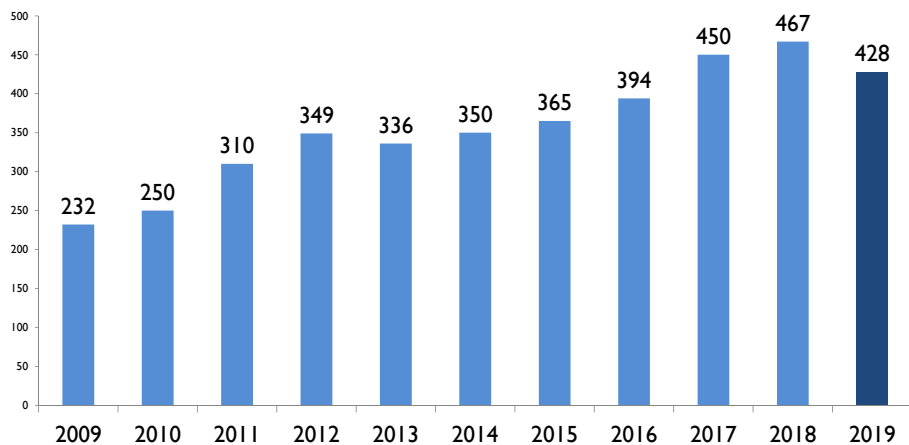


FINANCIALS & BACK UP INFORMATION

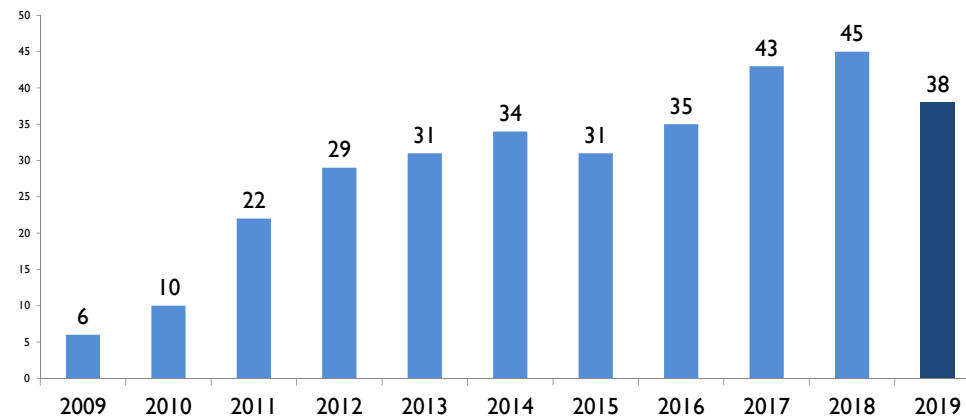
Connecting global innovation.



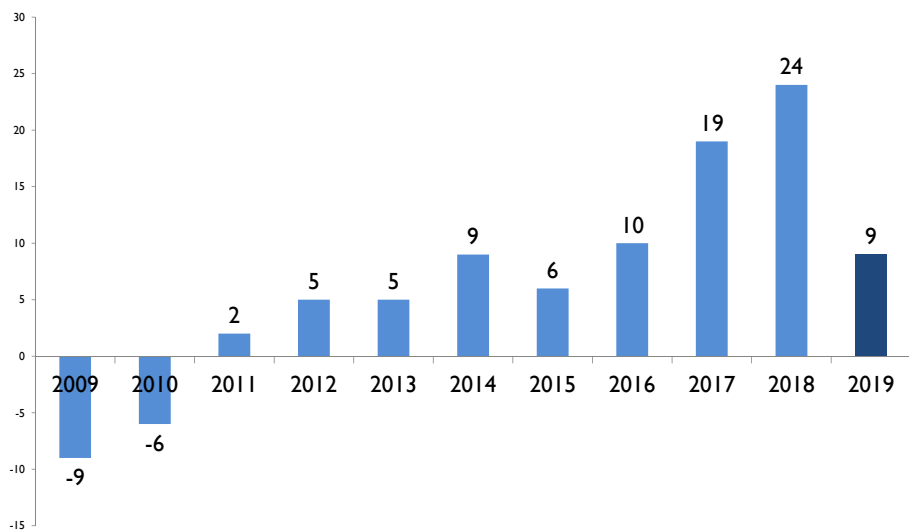
Revenues 2009-2019



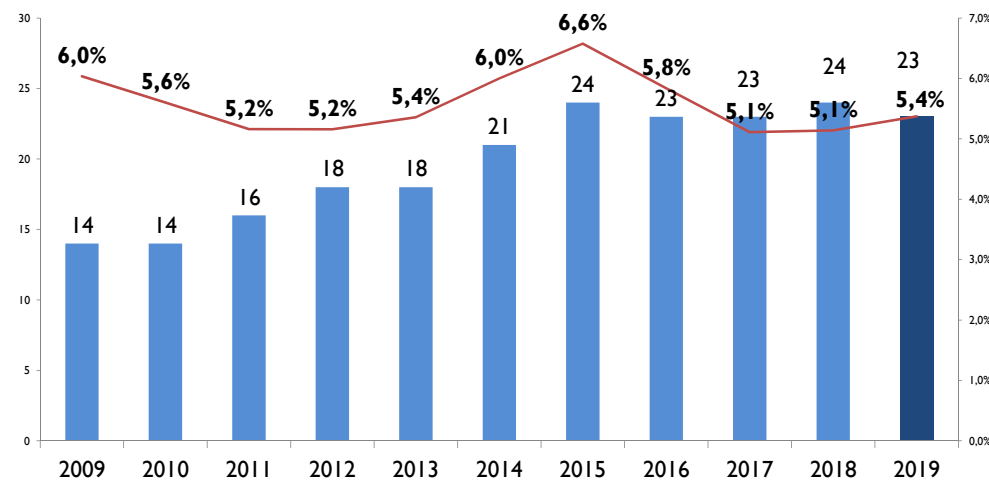
EBITDA 2009-2019

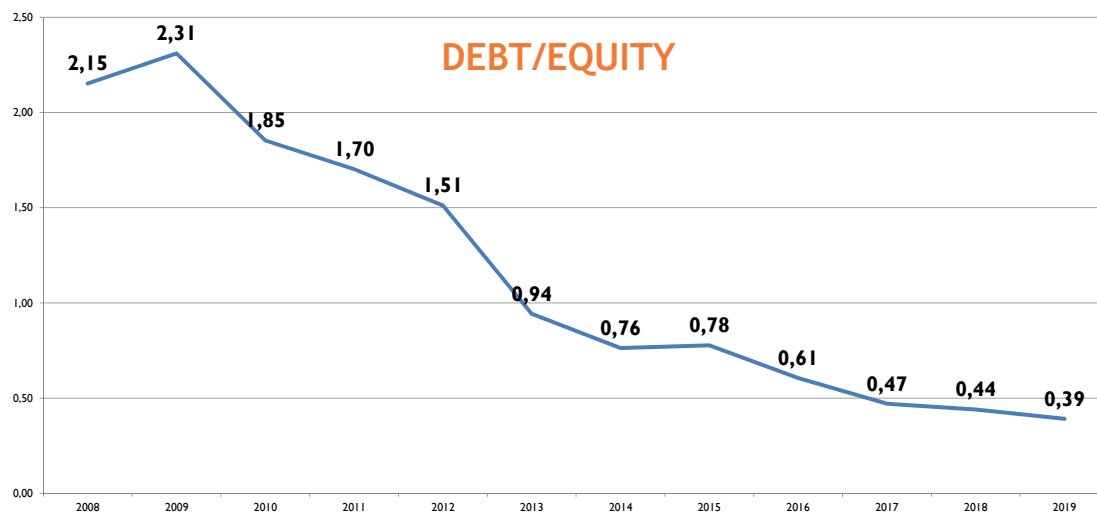
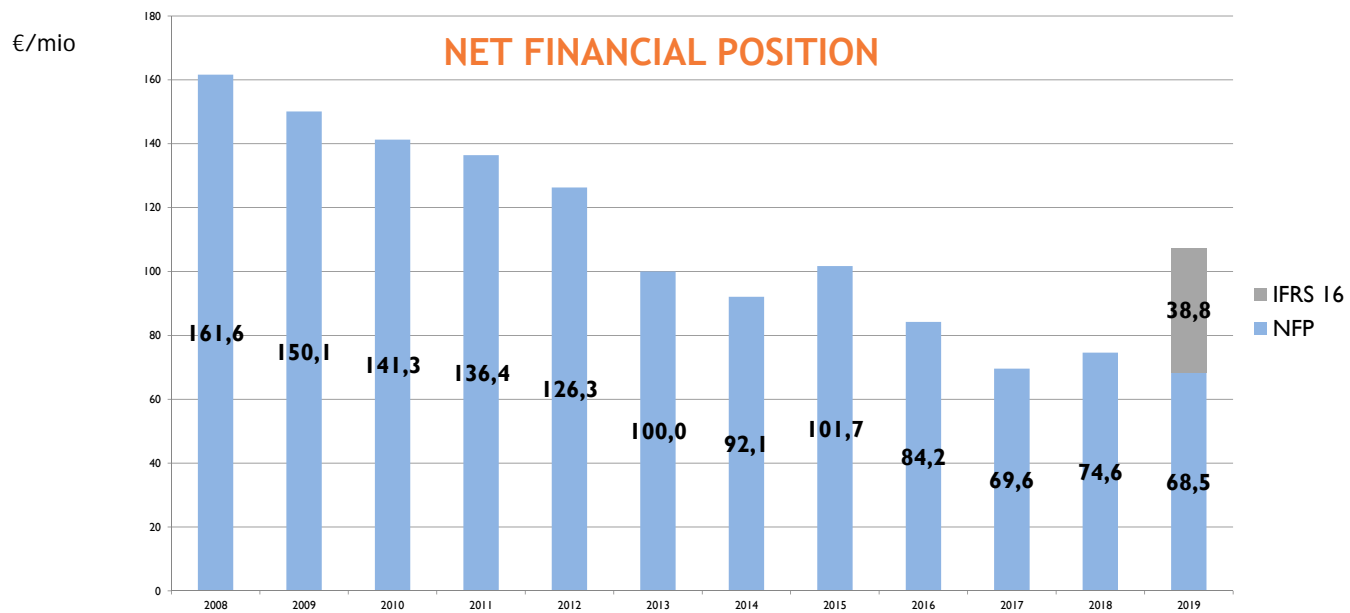


Net result 2009-2019



R & D 2009-2019





AUTOMOTIVE



AEROSPACE



ENERGY



CONSTRUCTION & BUILDING



MECHANICS & MACHINERY



WHITE GOODS & COMMERCIAL EQUIP.



ELECTRONICS, MEDICAL & OTHERS



Highlights - FY 2019

Values in €/thousand	ACT 31.12.19	ACT 31.12.18	D '19 vs '18	D '19 vs '18 %
Order Intake	410.417	471.245	(60.828)	-12,9%
Backlog	142.332	169.367	(27.035)	-16,0%
Revenues	427.582	466.932	(39.350)	-8,4%
EBITDA	38.432	45.059	(6.627)	-14,7%
EBITDA%	9,0%	9,7%	-0,7%	N/A
EBIT	14.391	28.041	(13.650)	-48,7%
EBIT%	3,4%	6,0%	-2,6%	N/A
Net Result	8.818	24.058	(15.240)	-63,3%
FCF	(4.197)	(8.802)	4.605	52,3%
Net Financial Position	(107.343)	(74.639)	(32.704)	-43,8%
Headcount	1.781	1.871	(90)	-4,8%

(% calculated over the revenues)

(headcount in units)

P&L adjusted with non recurring items and IFRS 16

Values in €/thousand

	ACT 31.12.19	ACT 31.12.18	D '19 vs '18	D '19 vs '18 %
Revenues	427.582	466.932	(39.350)	-8,4%
EBITDA	38.432	45.059	(6.627)	-14,7%
Non-Recurring Items	(2.582)	(2.845)		
IFRS 16	5.631	-		
EBITDA Adj	35.383	47.904	(12.521)	-26,1%
EBITDA Adj%	8,3%	10,3%	-2,0%	N/A
EBIT	14.391	28.041	(13.650)	-48,7%
Non-Recurring Items	(4.219)	(4.171)		
IFRS 16	250	-		
EBIT Adj	18.360	32.212	(13.852)	-43,0%
EBIT Adj%	4,3%	6,9%	-2,6%	N/A
Net Result	8.818	24.058	(15.240)	-63,3%
Non-Recurring Items	(1.732)	1.059		
IFRS 16	(498)	-		
Net Result Adj	11.048	22.999	(11.951)	-52,0%
NFP	(107.343)	(74.639)	(32.704)	-43,8%
Leasing Liabilities (IFRS16)	(31.235)	-		
Leasing Liabilities (IAS17)	(7.637)	(8.709)		
NFP Adj	(68.471)	(65.930)	(2.541)	3,9%

(% calculated over the revenues)

Highlights - 1Q2020

Values in €/thousand	ACT 31.03.20	ACT 31.03.19	Change	Change %
Order Intake	72.825	97.251	(24.426)	-25,1%
Backlog	141.289	166.754	(25.465)	-15,3%
Revenues	75.051	98.444	(23.393)	-23,8%
EBITDA	3.100	7.386	(4.286)	-58,0%
EBITDA%	4,1%	7,5%	-3,4%	N/A
EBIT	(2.544)	2.051	(4.595)	-224,0%
EBIT%	-3,4%	2,1%	-5,5%	N/A
Net Result	(3.524)	408	(3.932)	-963,7%
FCF	(26.491)	(17.461)	(9.030)	-51,7%
Net Financial Position	(133.452)	(117.632)	(15.820)	-13,4%
Headcount	1.770	1.861	(91)	-4,9%

(% calculated over the revenues)

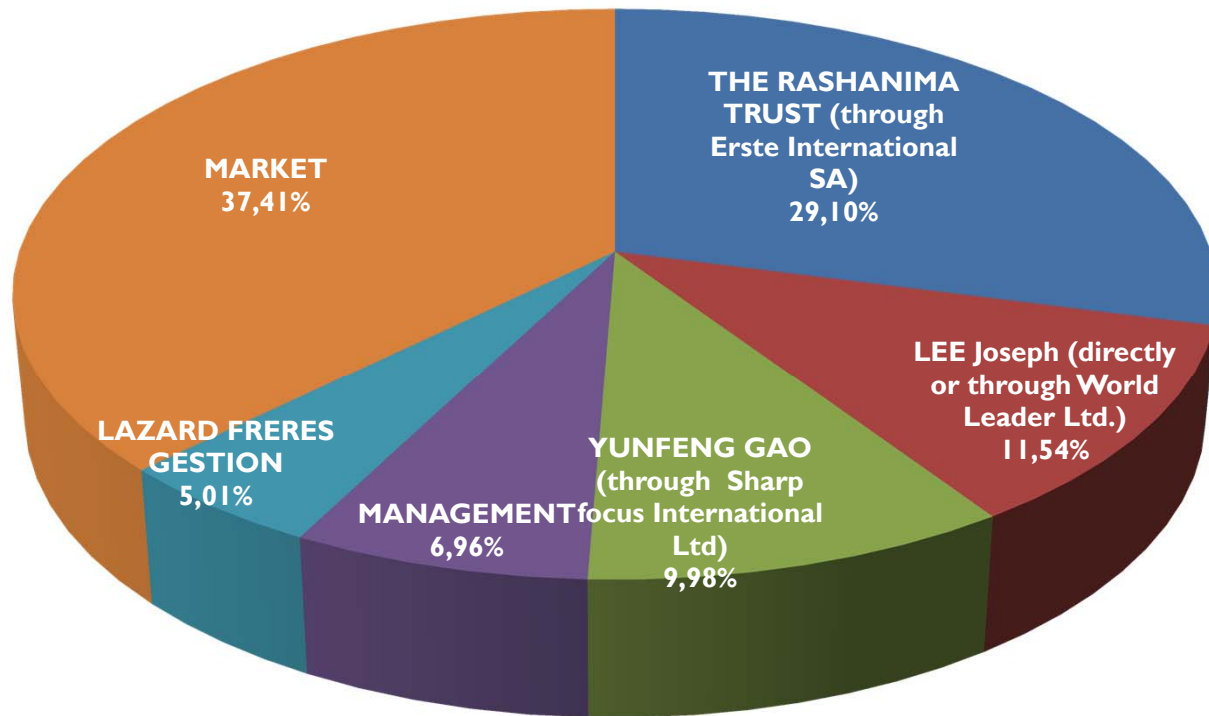
(headcount in units)

P&L adjusted with non recurring items and IFRS 16

Values in €/thousand

	ACT 31.03.20	ACT 31.03.19	Change	Change %
Revenues	75.051	98.444	(23.393)	-23,8%
EBITDA	3.100	7.386	(4.286)	-58,0%
Non-Recurring Items	(683)	(616)		
EBITDA Adj	3.783	8.002	(4.219)	-52,7%
EBITDA Adj%	5,0%	8,1%	-3,1%	N/A
EBIT	(2.544)	2.051	(4.595)	-224,0%
Non-Recurring Items	(683)	(616)		
EBIT Adj	(1.861)	2.667	(4.528)	-169,8%
EBIT Adj%	-2,5%	2,7%	-5,2%	N/A
Net Result	(3.524)	408	(3.932)	-963,7%
Non-Recurring Items	(683)	(734)		
Net Result Adj	(2.841)	1.142	(3.983)	-348,8%
NFP	(133.452)	(117.632)	(15.820)	-13,4%
Leasing Liabilities	(41.466)	(35.300)		
NFP Adj	(91.986)	(82.332)	(9.654)	11,7%

(% calculated over the revenues)



Source: company info + official communications to Consob

A large, dark rock with a bright, starburst-like light reflecting off its surface is the central focus. The rock is set against a dark, starry space background. In the upper right corner, a small, blue and white Earth is visible. The text 'THANK YOU !' is centered on the rock's surface.

THANK YOU !