

Innovation is looking beyond.



**Borsa Italiana**

***STAR Conference 2019***  
***Milan, 20 March***



# 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 13,000 machines installed in more than **80 countries**
- **≈ 1,900 employees** worldwide (~50% in Italy)
- Manufacturing sites in Italy, Finland, USA and China.
- Broad direct commercial and after-sales presence in **EU, NAFTA, BRIC** and other **emerging markets**.
- 2018 sales were € **467 million**, of which approx. 82% outside Italy.
- Strong commitment to **innovation** (R&D is 5.1% of turnover)
- **Listed** on Italian Stock Exchange (STAR segment) since 1999



# Business sectors: Prima Power





# Business sectors: Prima Electro



Chicopee (MA) - USA

Fiber lasers

**convergent**



Moncalieri (TO) - Italy

PCB manufacturing



Torino - Diode Fab - Italy

Diodes R&D - manufacturing



Barone C.se (TO) - Italy

OSAI CNC & drives  
Other electronic products

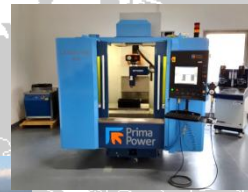




# Business sectors: Prima Additive

Collegno (TO) - Italy

R&D additive manufacturing







# Sales & service network: EMEA





# Sales & service network: APAC & Americas



# 2015-2019: STRATEGIC ACTIVITIES

Connecting global innovation.







# Mar 2015 - New Plant in Suzhou (China)



The plant, which covers a surface equal to 8.000 square meters, hosts manufacturing, sale and after-sale activities for a wide set of metal sheet processing machines. In addition to manufacturing area and HQ offices, the plant hosts a large show room destined to welcome Chinese and Asian customers.

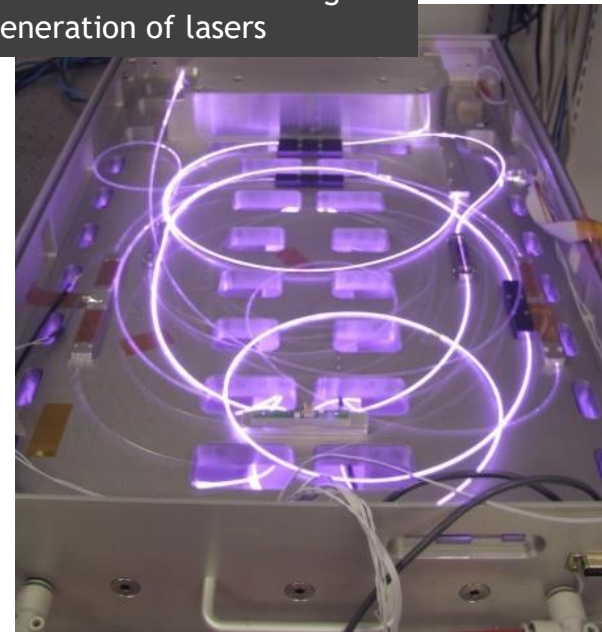
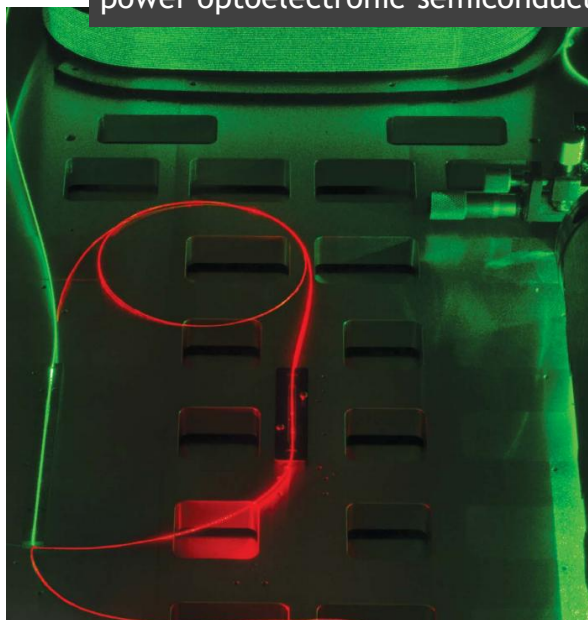




# Oct 2015 - Diode Fab for Fiber Lasers (Torino)

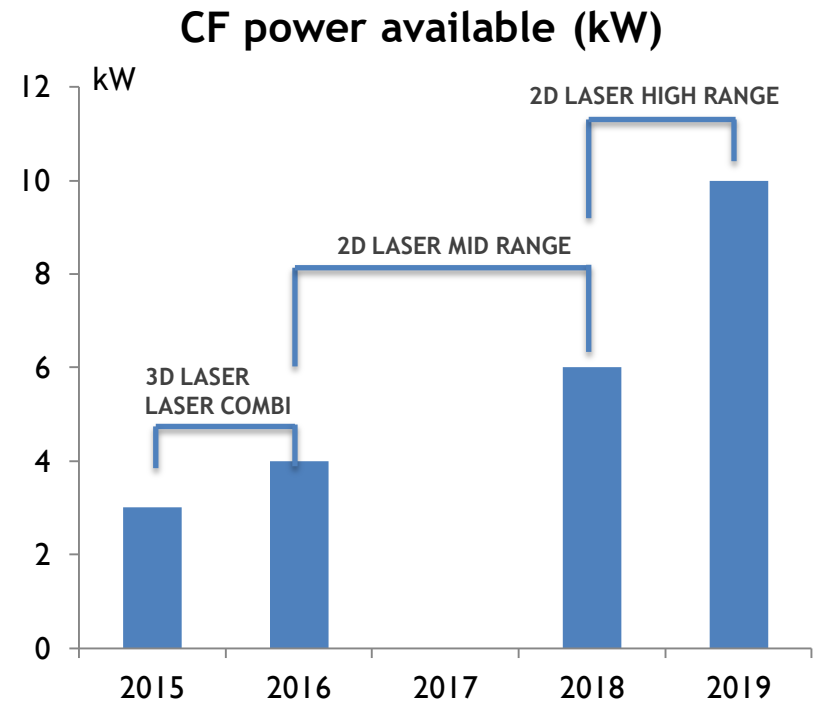
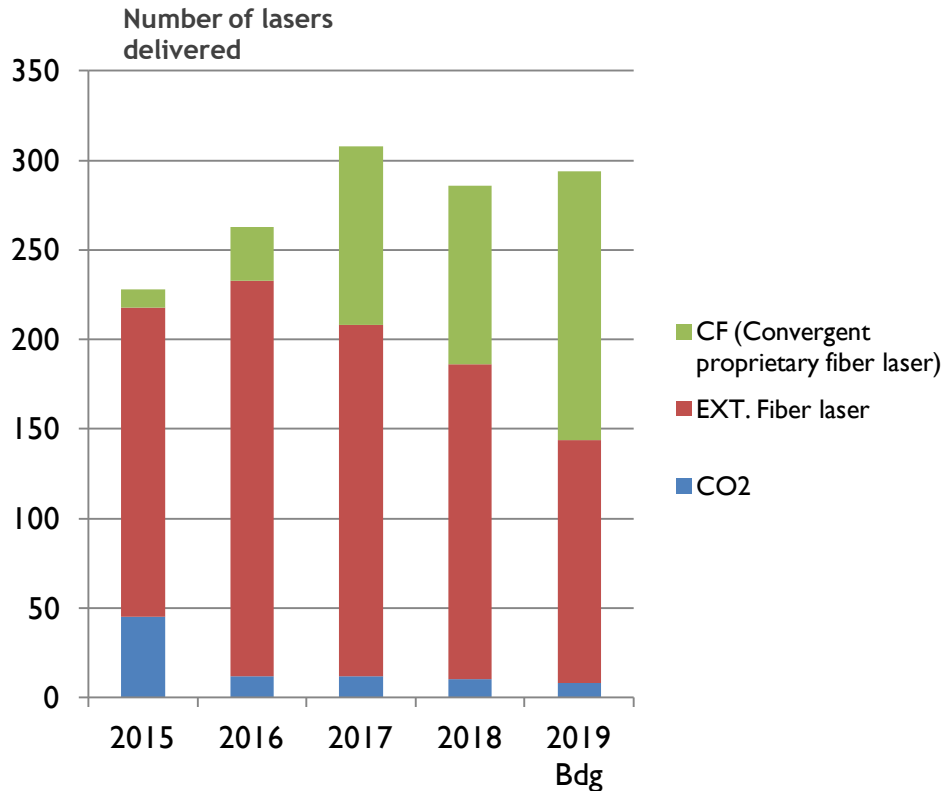


The high tech laboratories host research activities focused on the field of high power optoelectronic semiconductors for the latest generation of lasers





# Focus on CF fiber laser family







# May 2016 - New HQ and Technology Center in Torino



The HQTc is structured in 5000 square meters of which 2500 are dedicated to the corporate offices and 2500 dedicated to the Demo Room and to the hospitality of the customers. The Demo Room hosts 10-12 Prima Power machines, including a whole production line.





# Jun 2018 - Investment in Lead Laser Cangzhou (China)



Prima Industrie, through Prima Power brand, already holds a significant share of the Chinese market of high-end machines (3D laser, systems, panel benders), while it still has a limited presence in the market of 2D laser machines. This investment is aimed at increasing the Group's market share in the Chinese market of 2D laser machines, the largest in the world in terms of size and growth rate.







# Jun 2018 - New facility in Munich (Germany)



The new location features a large Show Room and well organized areas dedicated to demonstrations, applications, cycle time studies, training, and conferences. The new location is in the heart of the D-A-CH area, which is strategic for the Group, as it represents the second most important market in Europe after Italy, with 5% of revenues and an installed base of over 1000 machines.

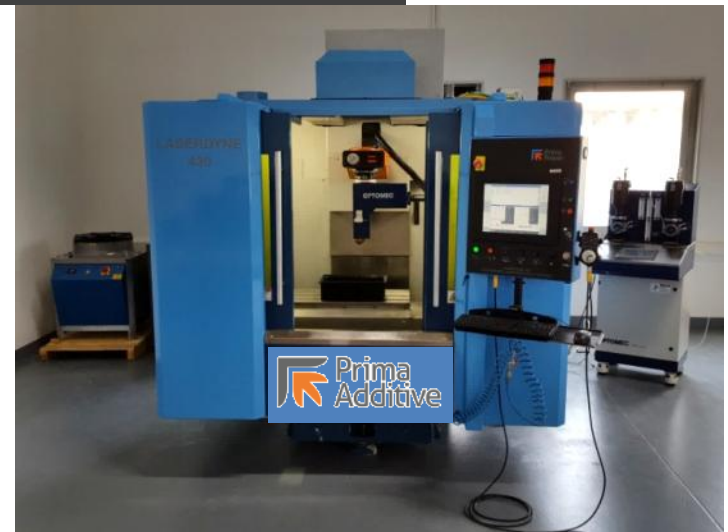




# R&D + Additive Manufacturing facility in Torino - Opening 2019

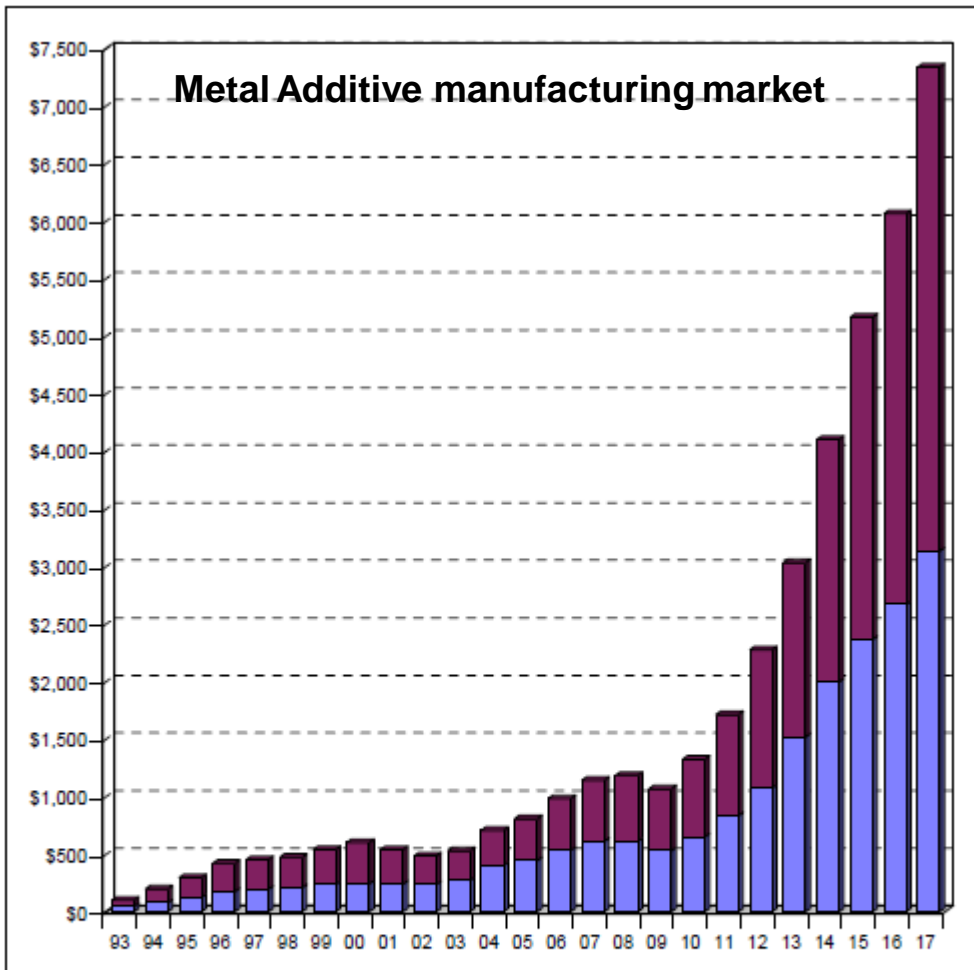


The facility, structured on approx. 3,300 sqm, represents an extension of the HQTC to host the new Prima Additive division in addition to the R&D employees of laser machines development and relevant labs.

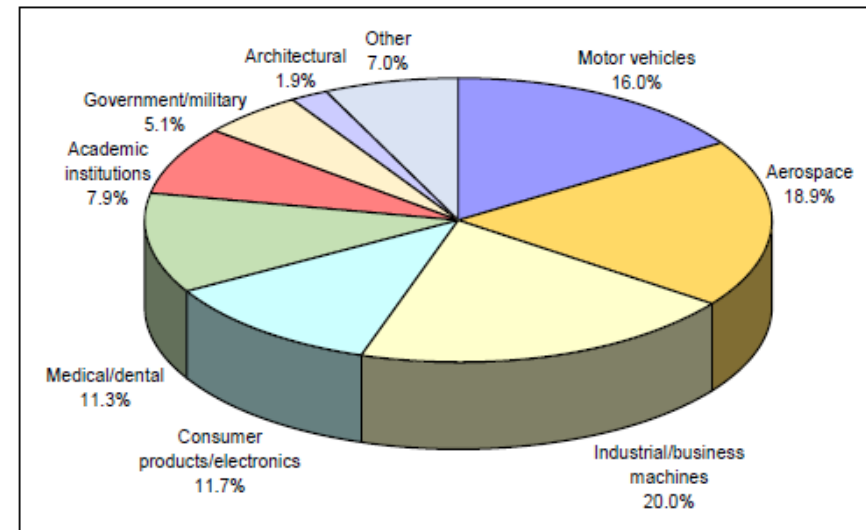




# New Additive Manufacturing division



Source: Wohlers Associates, Inc.



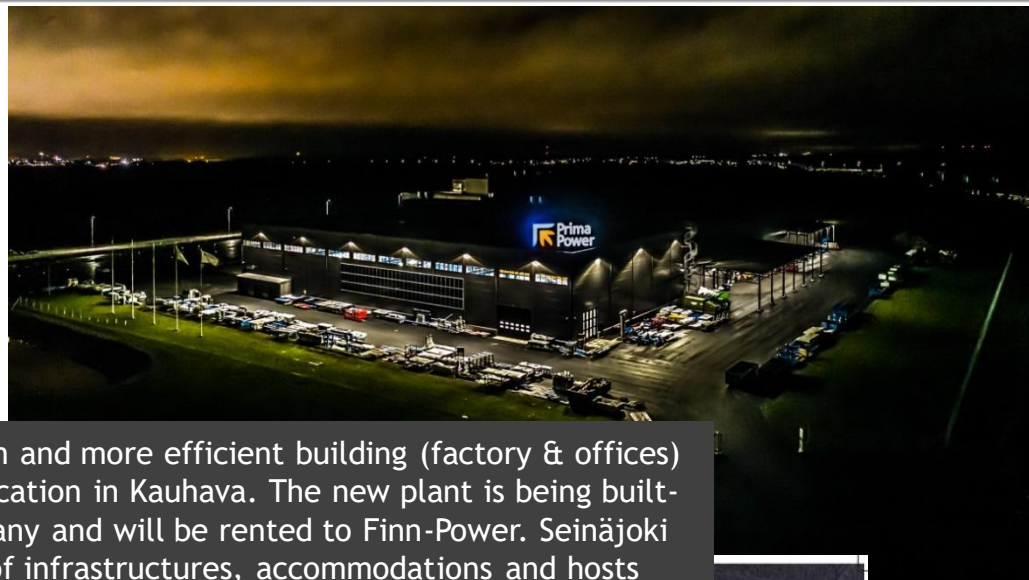
Source: Wohlers Associates, Inc.

The lower (blue) segment of the bars represents *products*, while the upper (burgundy) segment represents *services*. Neither category includes secondary processes, such as tooling, molded parts, or castings. The secondary market segment is reported separately.





# Nov 2018 - Finn-Power Oy new Plant in Seinäjoki (Finland)



Finn-Power OY is constructing a new, modern and more efficient building (factory & offices) in the City of Seinäjoki, replacing current location in Kauhava. The new plant is being built-to-suit by a local municipality finance company and will be rented to Finn-Power. Seinäjoki offers a more convenient location in terms of infrastructures, accommodations and hosts several schools and a university.



**2014 – 2017**  
**Finn-Power Oy**  
FI16369339

is a company which creates power for the economic future

The company has achieved the high rating A++ credit classification in the international group and is thus entitled to this special certificate. The classification is based on the company's long-term excellent financial key ratios, positive background information and good business performance. The classification is granted by Suomen Asiakastieto Oy.

asiakastieto.fi

# Evolution to Power







# A history of growth

## 1977 - 1979 START AS ENGINEERING COMPANY

1977  
PRIMA PROGETTI  
ESTABLISHED



PRIMA PROGETTI S.p.A.  
PROGRESS IN MANUFACTURING AUTOMATION

1978  
PRIMA ELECTRONICS  
ESTABLISHED



PRIMA ELECTRONICS  
PROGRESS IN MANUFACTURING AUTOMATION

1979  
ZAC - 1<sup>ST</sup> 3D LASER  
MACHINE FOR  
AUTOMOTIVE

## 1990 - 1995 FOCUS ON LASER AND SHEET METAL



1990  
RAPIDO

1991  
FIRST PANEL  
BENDER

1992  
ENTRY IN 2D LASER MARKET  
WITH LASERWORK

1993  
1<sup>ST</sup> FINN-POWER'S INTEGRATED  
RIGHT ANGLE SHEAR



1994  
NIGHT TRAIN FMS

## 1999 - 2007 LISTING - ALWAYS MORE GLOBAL

1999  
LISTING ON THE ITALIAN  
STOCK EXCHANGE

2001  
ACQUISITION OF LASERDYNE



2005  
SYNCRONO

1999  
FIRST JV IN CHINA  
2000  
ACQUISITION OF  
CONVERGENT - OUR LASER



2003  
FIRST SERVO-ELECTRIC  
PRESS BRAKE

2004  
SERVO-ELECTRIC  
PANEL BENDERS

## 2013 - 2016 STRONG INVESTMENTS

2014  
LAUNCH OF LASER NEXT



2015  
LAUNCH OF  
LASER GENIUS

2015  
CHINA PLANT  
INAUGURATED

2016  
COLLEGNO HQTC  
INAUGURATED



1969  
FINN-POWER  
ESTABLISHED



INDUSTRIAL  
PRODUCTS  
LAUNCHED

1983  
FIRST HYDRAULIC TURRET PUNCH  
PRESS, BY FINN-POWER



1985  
OPTIMO

1988  
FIRST FINN-POWER  
PRESS BRAKE

1997  
PLATINO



1998  
ISO 9001 CERTIFICATION

1998  
1<sup>ST</sup> SERVO ELECTRIC  
TURRET PUNCH PRESS

## 1980 - 1989 GETTING INDUSTRIAL

## 1996 - 1998 PRODUCT RANGE GROWTH

## 2008 - 2012

## THE BIG CHANGE: PRIMA POWER

2007  
ACQUISITION OF OSAI

2008  
PRIMA INDUSTRIE ACQUIRES **FINN-POWER**

INTEGRATION AND GLOBALIZATION

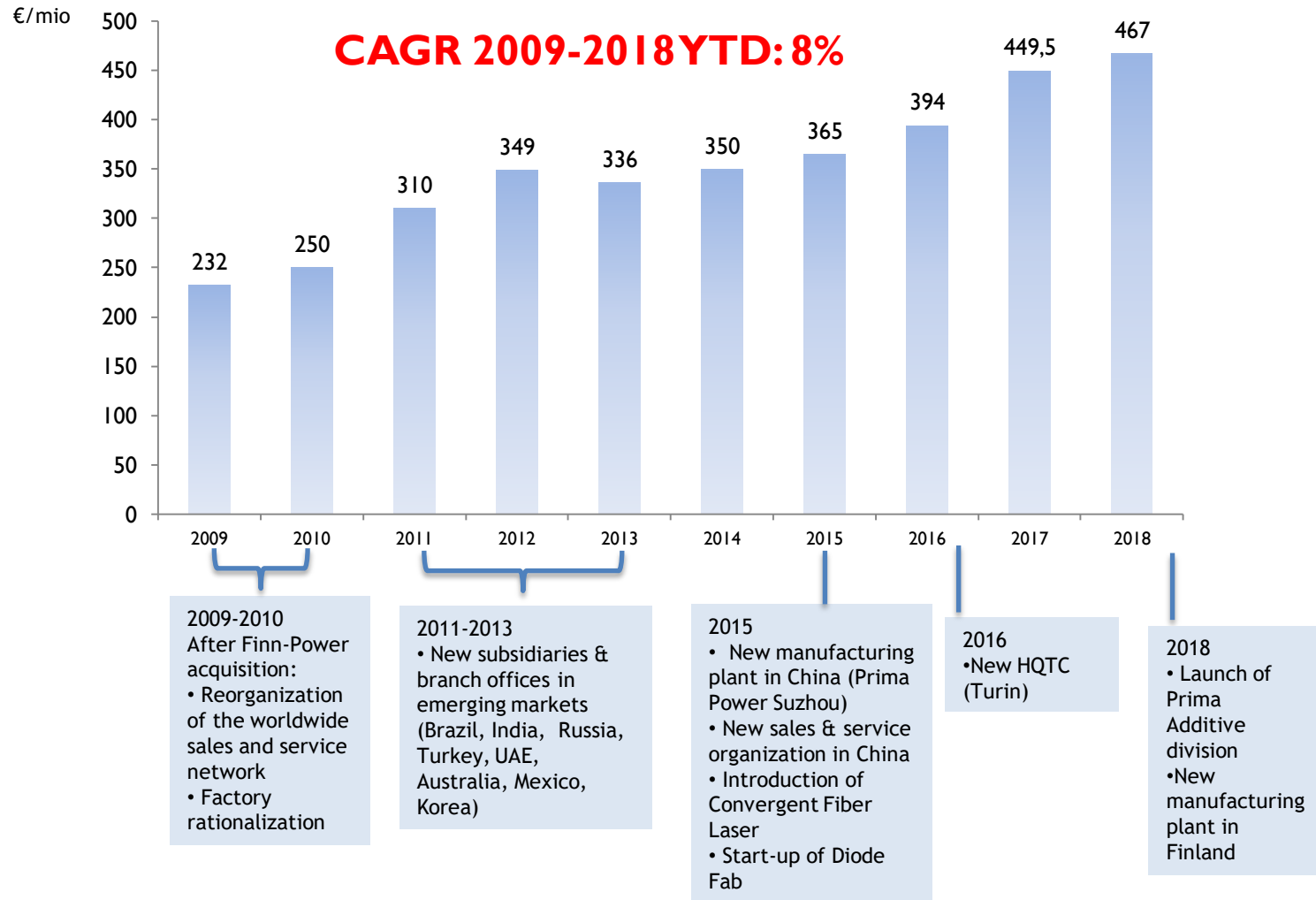
2011  
PRIMA POWER BRAND IS BORN  
(PRIMA INDUSTRIE + FINN POWER)





# A history of growth

## Revenues





# Growth is slowing down



In 2017, the global industrial economy was in its strongest position for at least three years, supported by buoyant global trade. But growth has now peaked, and rising trade tensions come at a time when global industrial activity is already slowing.

Despite the global industry slowdown, economic fundamentals remain solid, and will support some growth even amid the intensifying trade frictions.

The weakening of the internal and external growth consensus is confirmed: uncertainties related to the American commercial policy, slowing of growth in various European economies, progressive increase in interest rates, generalized climate of mistrust of companies and families. The slowdown in Italian exports is more pronounced than in other European countries. This can be attributed to the less positive performance in some specific sectors (automotive, agricultural machinery, ..) and destination markets (China, Japan, Russia).



IPG Photonics announced that it expects revenue for the 3Q18 to be approximately USD355-356m vs old estimates of USD360-390m. In addition, the company added that it expects FY revenue growth to be below the 7-9% range provided on July 31, 2018. Management mentioned that the tariff and trade-related headwinds were the primary driver of weaker than expected performance for business in China and Europe.

*Customers in China were more cautious due to heightened political and macroeconomic uncertainties, while order intake in the Americas continued to grow.*



**TRUMPF**

We are monitoring the global economy's development very closely. There are increasing signs that this long phase of recovery could soon be over. We want to be prepared for that. In the current fiscal year, despite the general slowdown of the global economy, TRUMPF expects to generate business with a similar level of profitability.

# Prima's resilience

## COMMON FACTORS HIGHLIGHTED

- Slow-down of investments in **China / Trade war** effects
- Uncertainty scenario in **Italy**
- Slow-down of investments of **automotive sector**




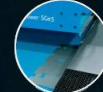




## RESILIENCE PHASE THANKS TO DIVERSIFICATION IN:

- Geographic markets
- Industries addressed
- Product portfolio




**Prima Power**

**LASER AND SHEET METAL MACHINERY**

<p><b>THE LASER</b></p>  <p>2D and 3D laser machines for cutting, welding and drilling</p>	<p><b>THE PUNCH</b></p>  <p>Servo-electric turret punch presses</p>	<p><b>THE SHEAR</b></p>  <p>Integrated systems punch+shear</p>	<p><b>THE COMBI</b></p>  <p>Integrated systems punch+laser</p>
<p><b>THE PRESS</b></p>  <p>Servo-electric and hydraulic press brakes</p>	<p><b>THE BEND</b></p>  <p>Servo-electric panel benders and bending centers</p>	<p><b>THE SYSTEM</b></p>  <p>FMC &amp; FMS to automate your production flow</p>	<p><b>THE SOFTWARE</b></p>  <p>Smart solutions to connect your machines and maximize productivity</p>


**Prima Electro**

**ELECTRONICS AND LASER TECHNOLOGIES**



**CONVERGENT**

Fiber and CO<sub>2</sub> Laser sources



**OSAI**

Motion Control and CNC's





# Overcome the slow down with growth

## INTERNAL GROWTH ENGINES

- Fiber laser & Diodes investments: boost in profitability expected
- Lead Laser investment: fully exploit the relationship
- Additive Manufacturing: add on to turnover and profitability







# Market trends:outlook

Despite a more complex trading environment with some experts seeing a temporary peak in certain countries/markets, the medium-term outlook still looks **positive** for machine tool producers.

Some of the main industry **drivers** supporting the medium-term prospects are as follows:

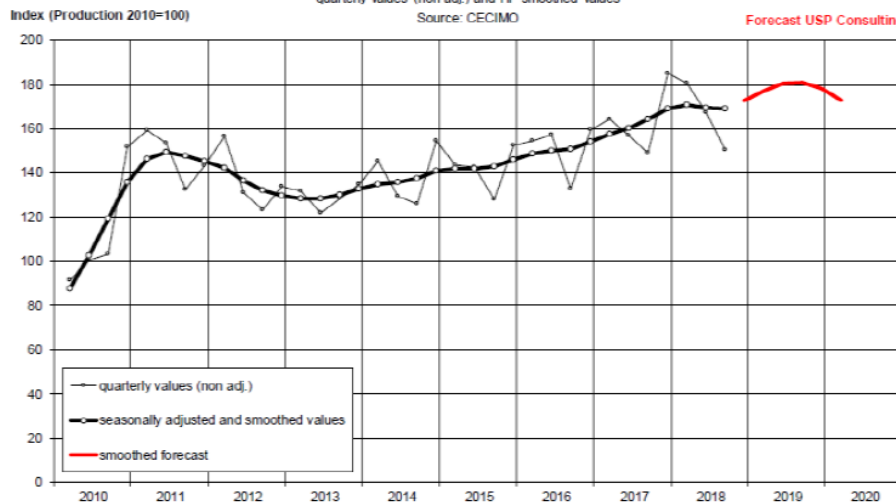
- the increasing automation in the manufacturing process worldwide and, more in general, from the modernization of the production facilities;
- the decline in product lifecycles and consequent increase in the variety of products that require more flexible systems;
- the continuous quality improvements also to be obtained through more sophisticated and precise production systems and machines;

Forecast New Orders CECIMO 8 (total)

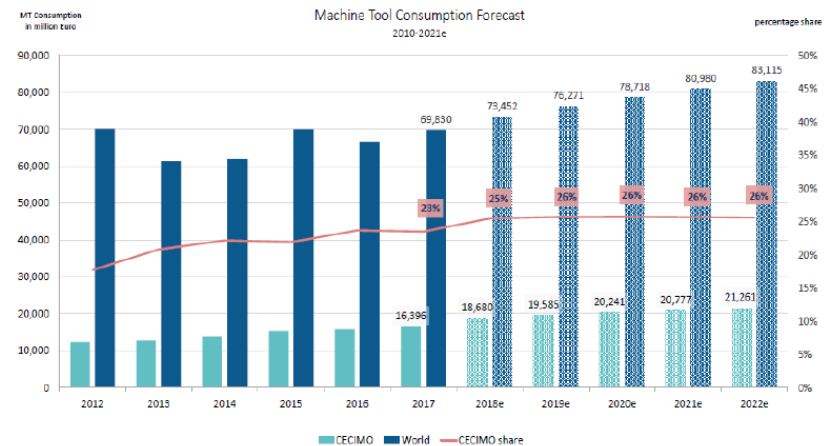
quarterly values (non adj.) and HP-smoothed values

Source: CECIMO

Forecast USP Consulting



Source: CECIMO (September 2018)



Source: CECIMO (September 2018)

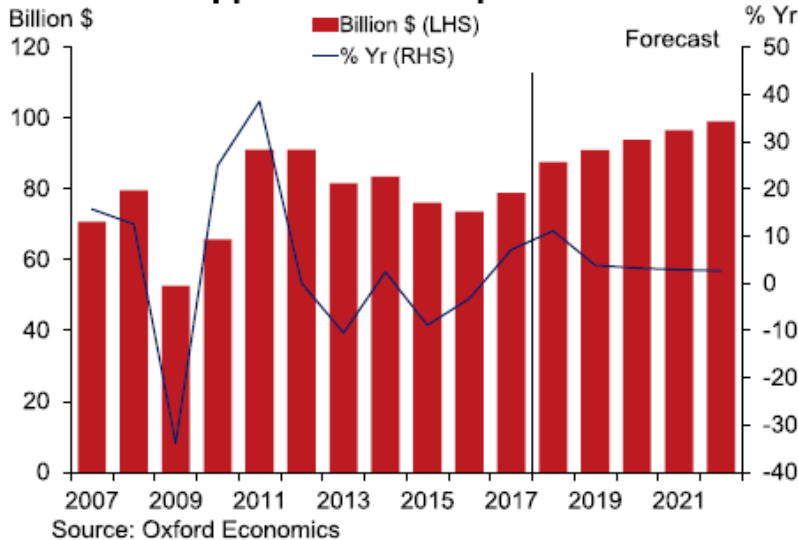


# Market trends: machine tool & laser machines market

## Global Machine Tool Outlook

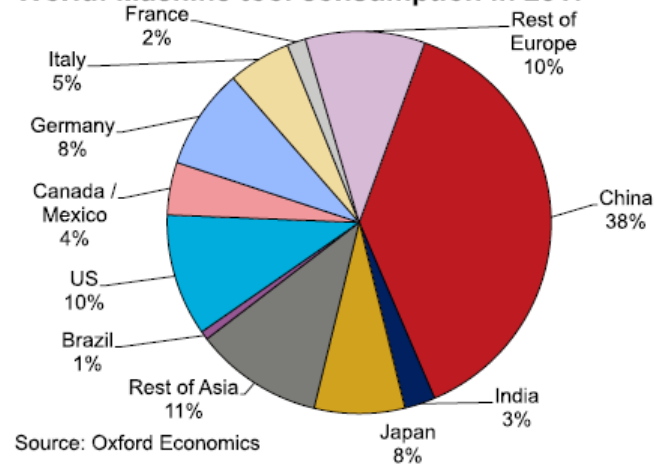
Autumn 2018

### World: MT Apparent consumption

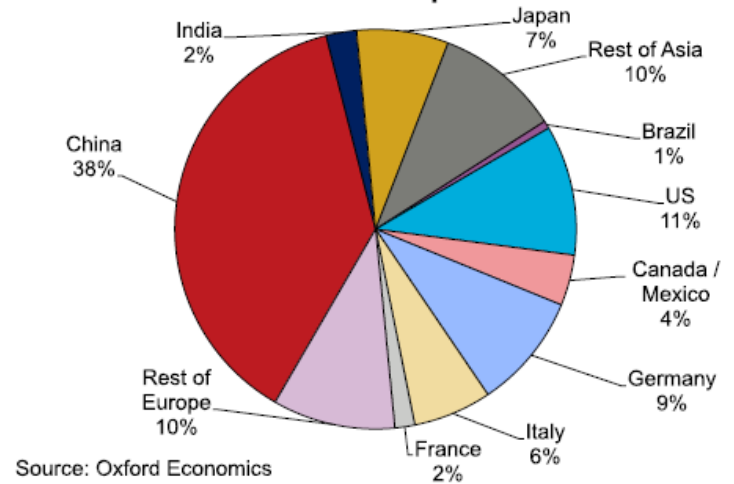


Based on Oxford Economics' forecasts (autumn 2018), global machine tool consumption is expected to grow at a 3% CAGR in 2018-2022, after reaching around USD 78bn in 2017 (of which USD 14bn generated from laser systems for materials processing).

### World: Machine tool consumption in 2017



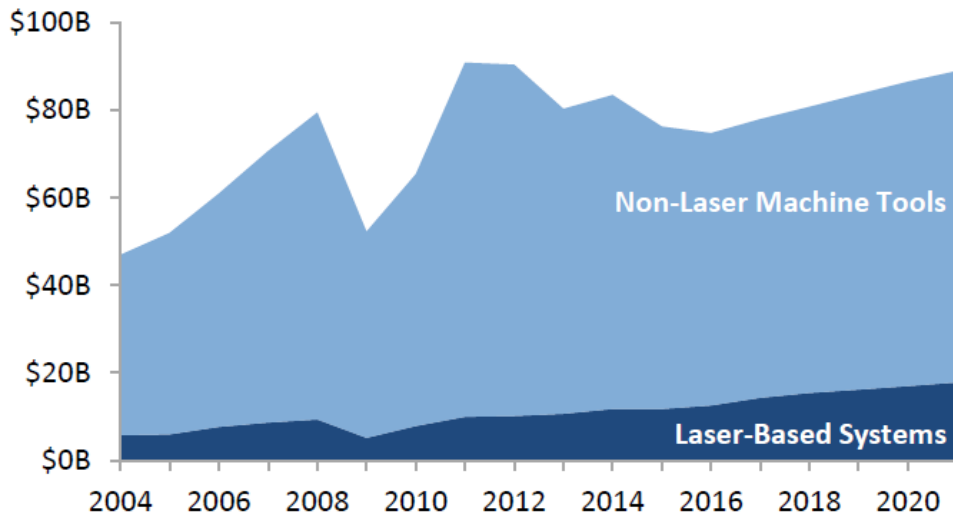
### World: Machine tool consumption in 2022





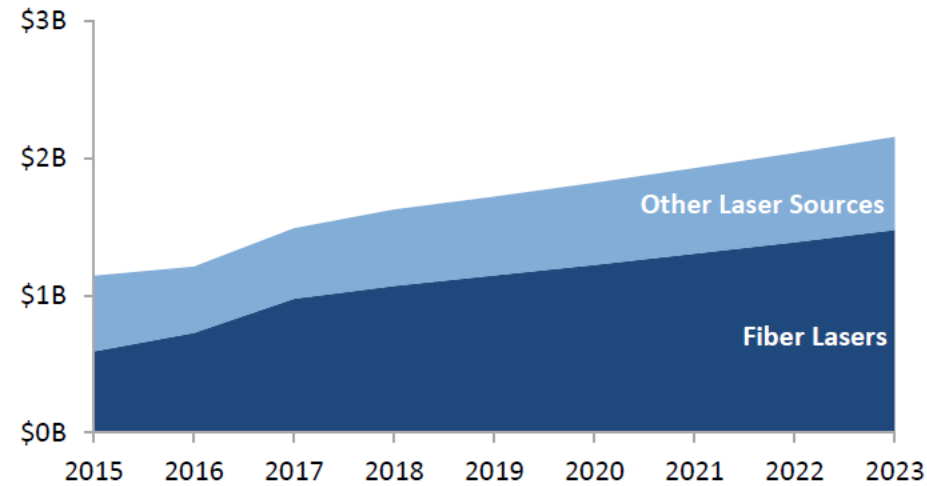
# Market trends: machine tool & laser machines market

Global Machine Tool Consumption in 2017: ~\$78B  
Global Laser Systems for Materials Processing in 2017: ~\$14B  
*Laser Systems 18% of Worldwide Machine Tools and Growing*



Source: Oxford Economics, Optech Consulting and IPG Photonics Corporation

Fiber Lasers a Growing Percentage of Annual Demand  
for High-Power Industrial Laser Sources

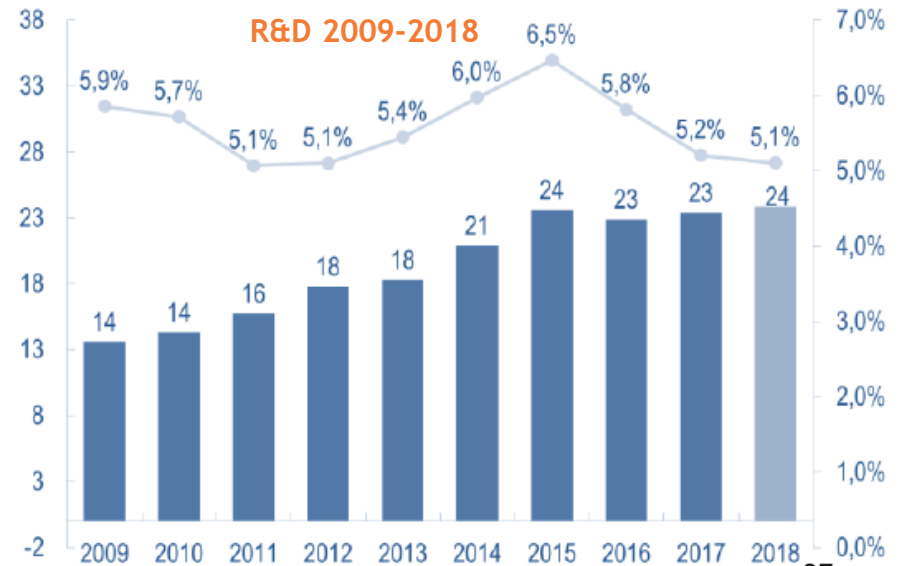
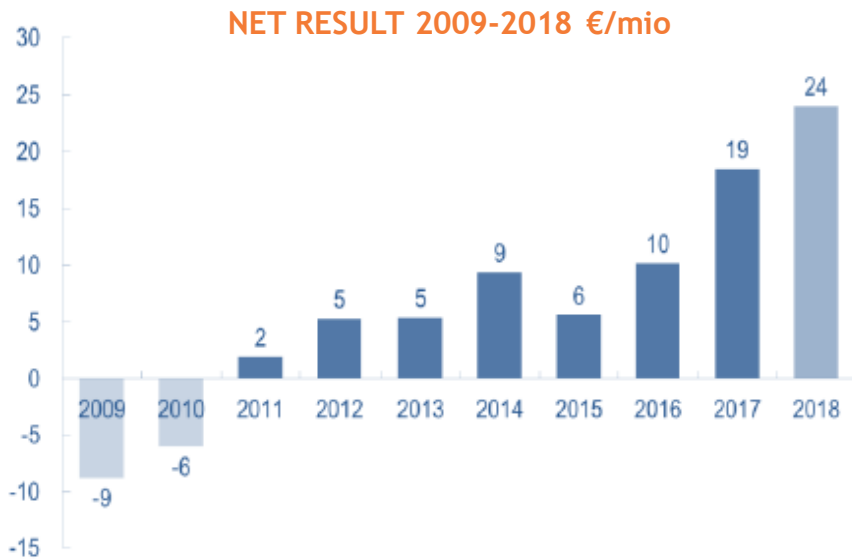
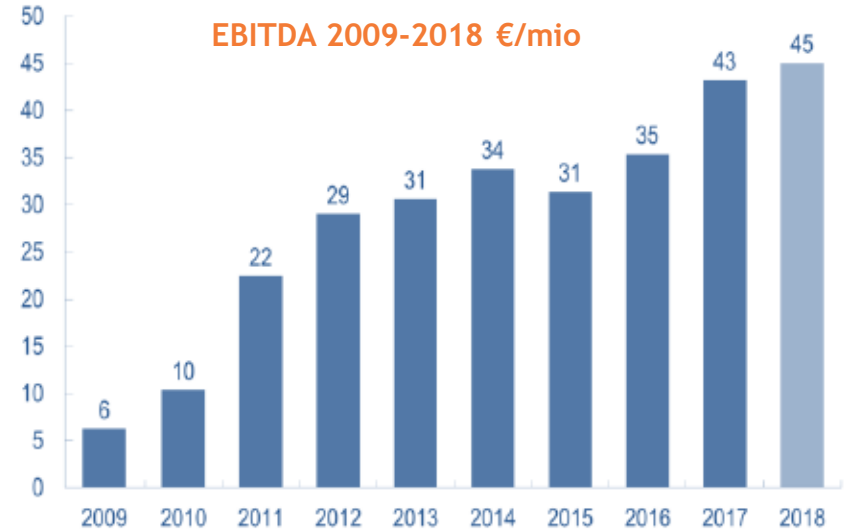
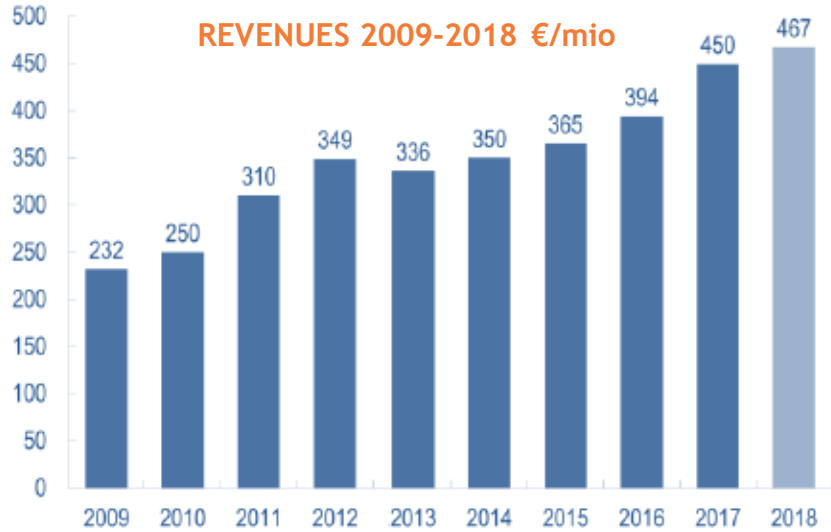


Source: Optech Consulting and IPG Photonics Corporation

Within the machine tool industry laser-based systems are increasingly gaining share inside the material processing segment given the greater precision, processing speeds and flexibility enabled by this technology. Moreover, because laser energy can be delivered remotely with greater precision and power, the trends towards automated production and increasing product complexity and flexibility are helping drive adoption of laser technology.



# Economic trends



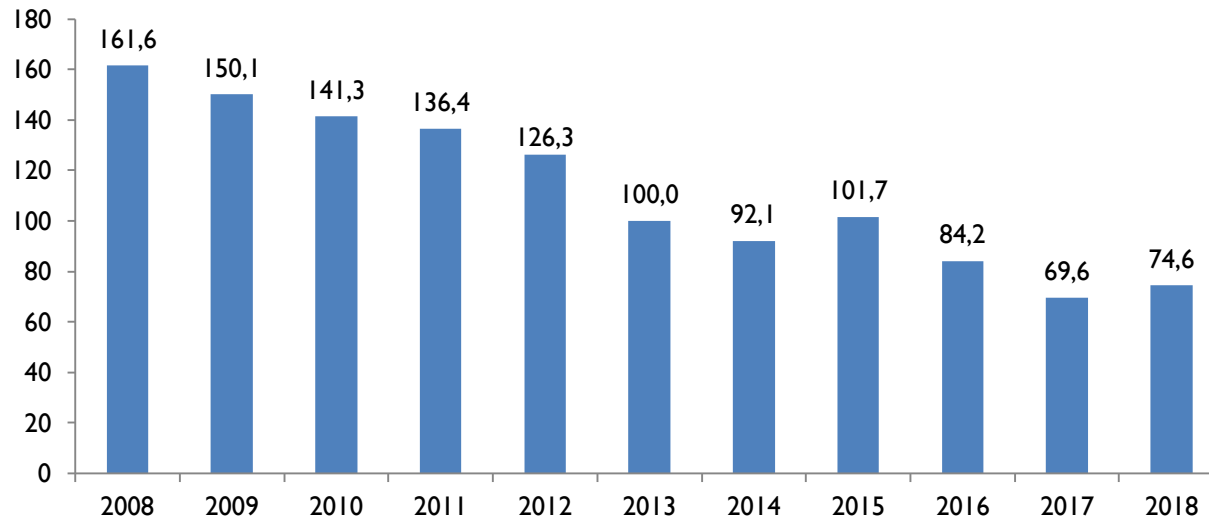




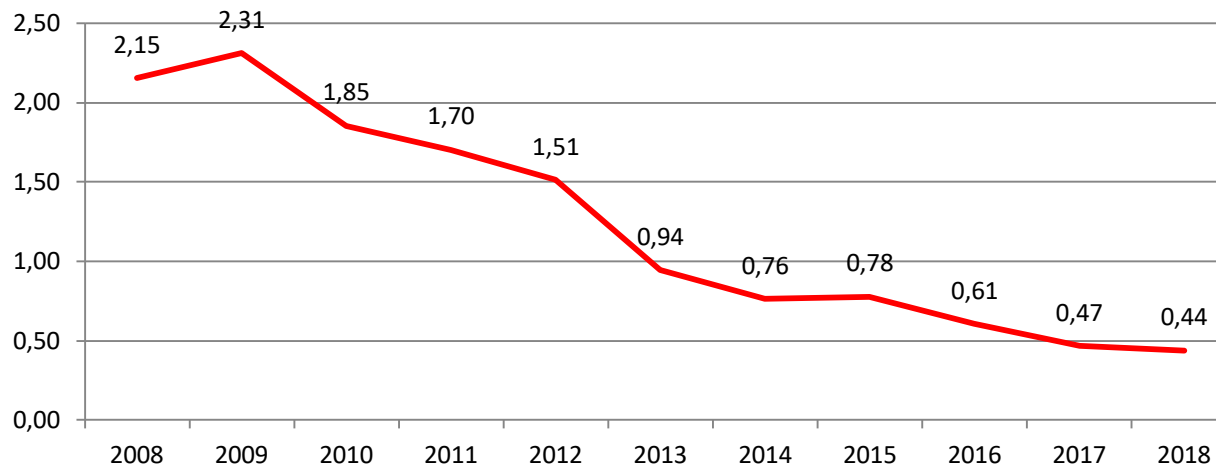
# Net financial position trend

€/mio

## NFP



## Debt/Equity





# M/L term debt refinancing on main operations

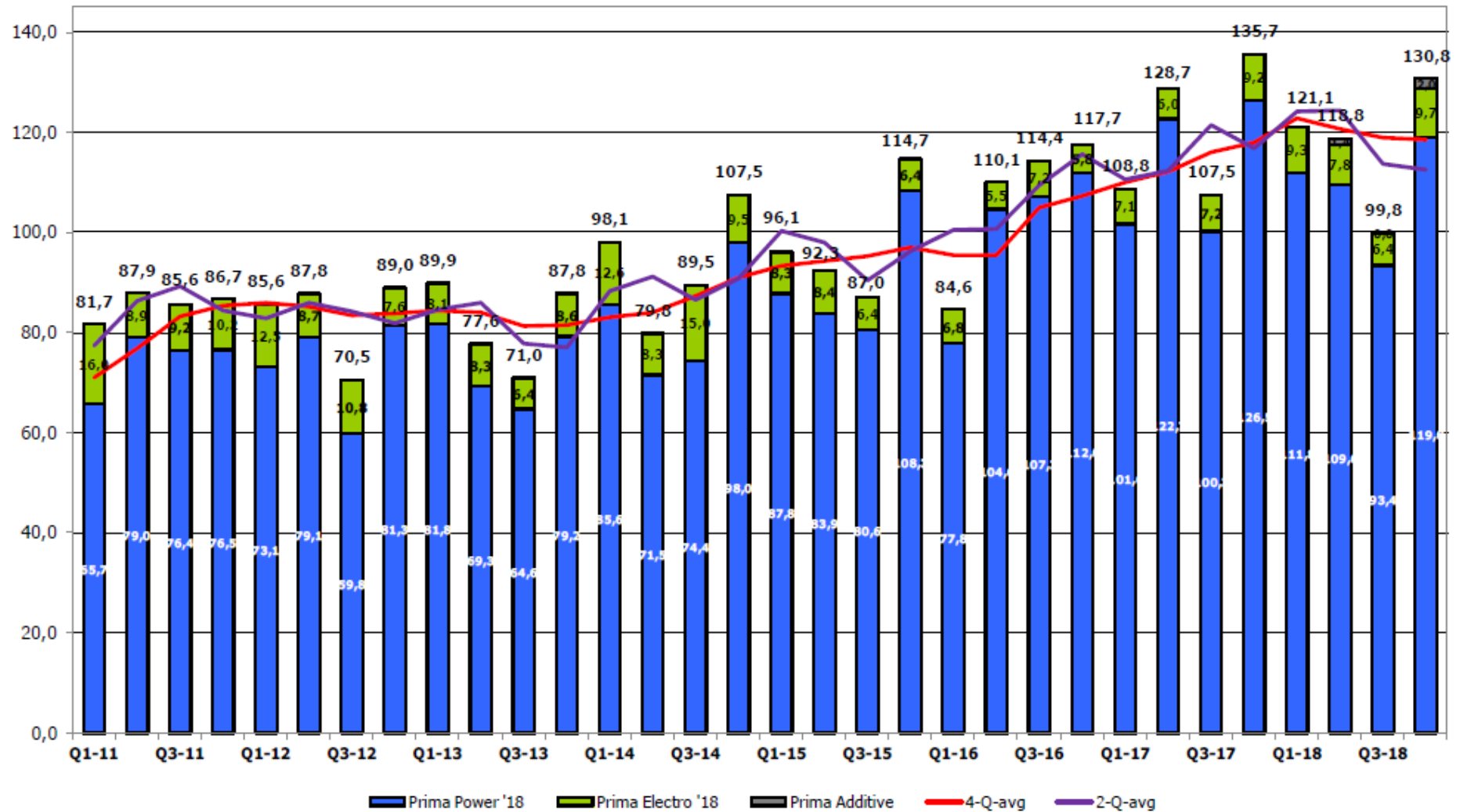
Type	Counterparty	Amount (M€)	Interest rate %	Maturity	Timing for reimbursement	Type	Counterparty	Amount (M€)	Interest rate %	Maturity
BOND	INSTITUTIONAL INVESTOR 1	40	5,875	2022	March 2018	BOND	INSTITUTIONAL INVESTOR 2	25	3,50	2025
TERM LOAN	IT BANKS CLUB DEAL	23	3,03	2021	March 2018	TERM LOAN	BANK 1	25	2,08	2022
TERM LOAN	FINN BANKS CLUB DEAL	20	Euribor +2,50	2020	December 2017	TERM LOAN	BANK 2	20	1,75	2022
TERM LOANS	SEVERAL BANKS INSTALMENTS	25	Euribor +1,75 average	2018/19	2018/2019	TERM LOANS	SEVERAL BANKS	45	1,50	2022/2023
TOTAL		108	3,70	2018/2022		TOTAL		115	2,10	2022/2025

Banks involved:



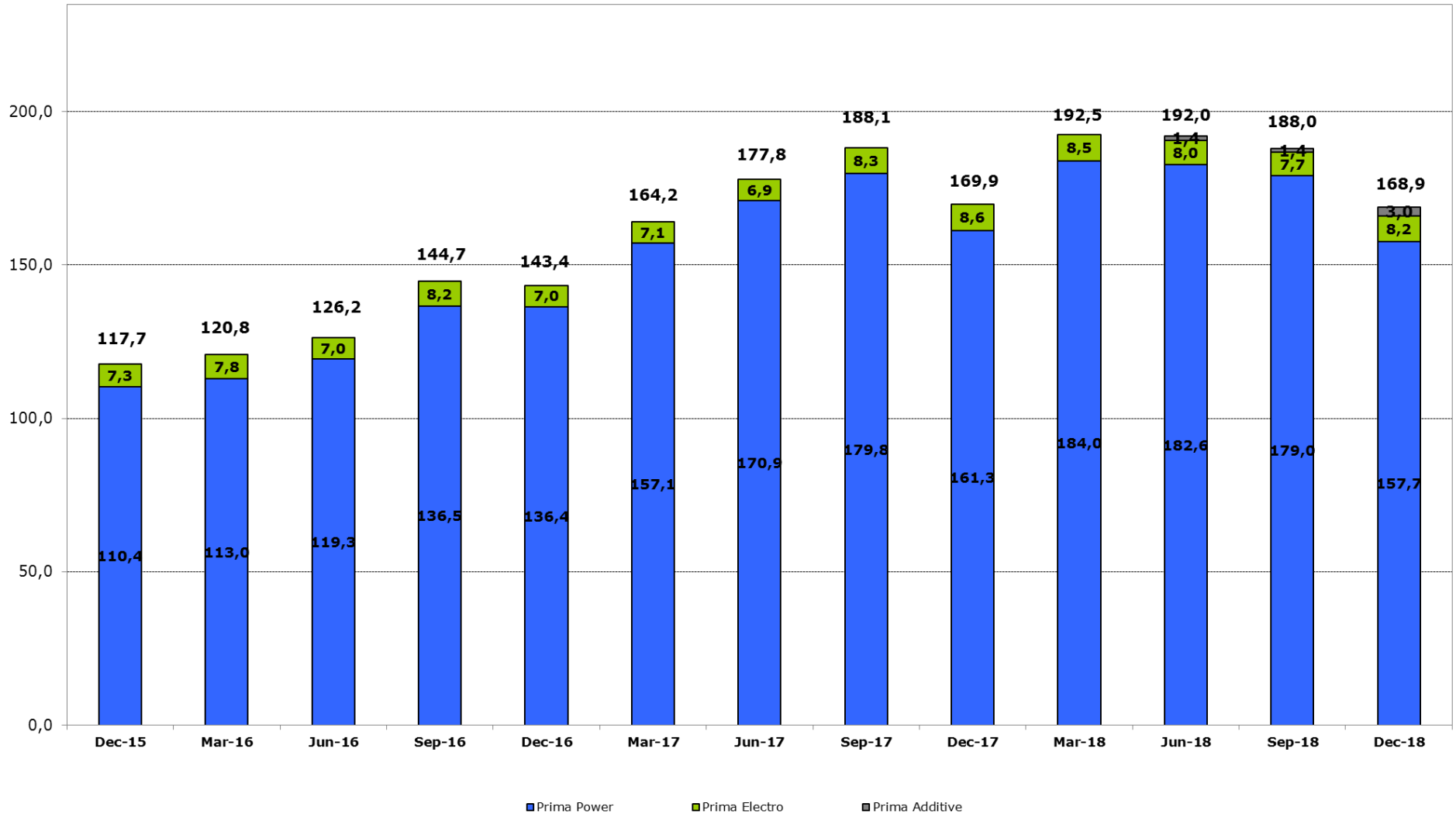


# Quarterly order intake since 2011





# Quarterly backlog since Dec. 2015







# Analysts' consensus

	2019				2020			
	B. IMI	Mediobanca	B. Akros	Consensus	B. IMI	Mediobanca	B. Akros	Consensus
	29,0	26,0	28,5		29,0	26,0	28,5	
	BUY	NEUTRAL	BUY		BUY	NEUTRAL	BUY	
REVENUES	480,9	474,4	474	476,4	495,4	476,8	482	484,7
EBITDA	55,8	54	56	55,3	59,4	54,4	59	57,6
EBIT	38,8	36,7	38	37,8	42,4	36,9	41	40,1
NET RESULT	26,6	25,4	25	25,7	29,4	25	27	27,1
NFP	-63,7	-52,2	-59	-58,3	-50,5	-33,7	-37	-40,4



MEDIOBANCA *Released March 4, 2019*



BANCA IMI *Released March 12, 2019*

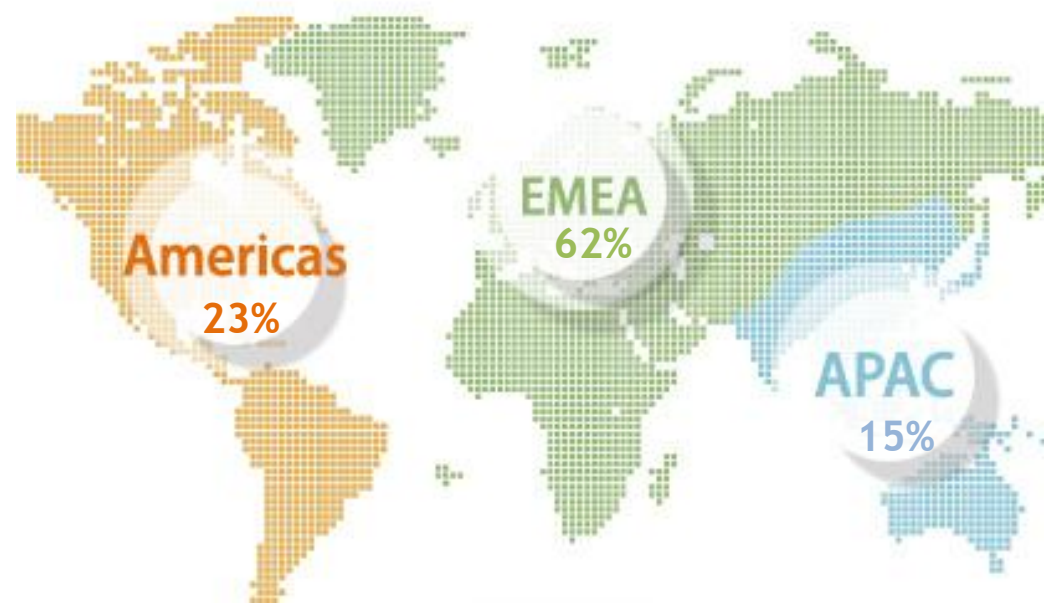


*Released March 11, 2019*



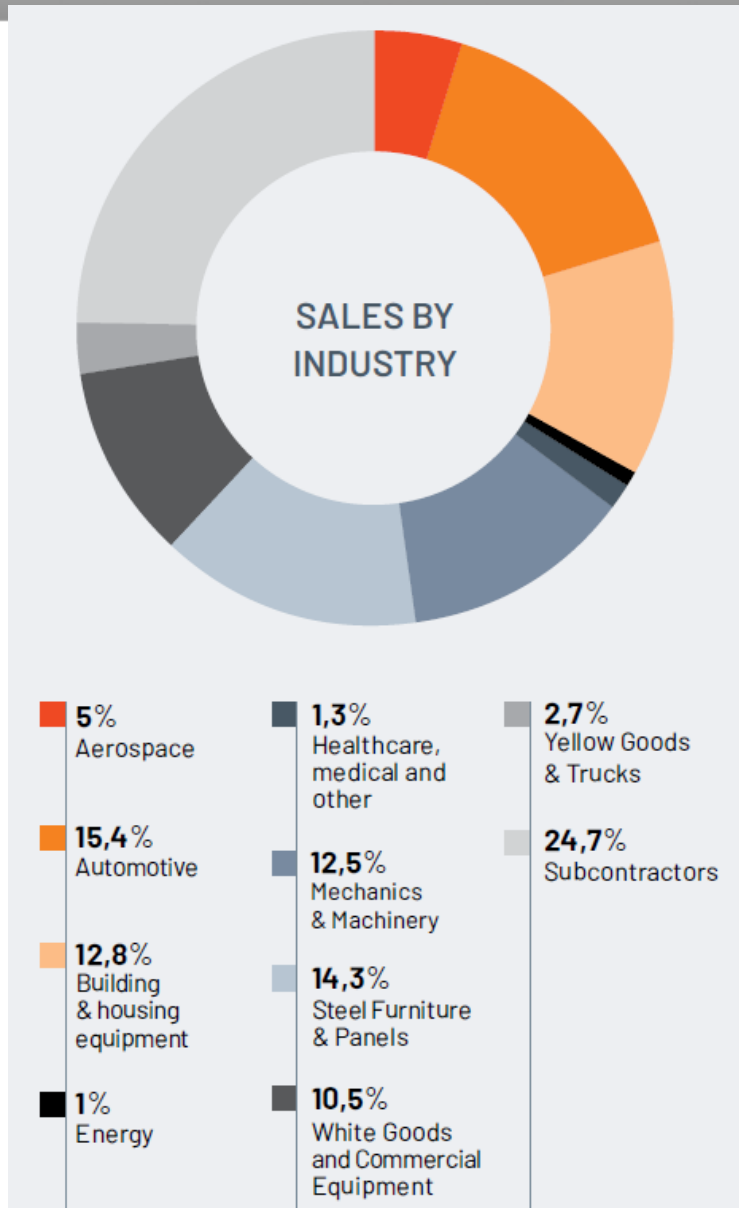
# Regional Highlights (2018)

<b>AMER</b>	<b>23%</b>
USA	20,0%
CANADA	2,1%
<b>APAC</b>	<b>15%</b>
CHINA	9,6%
SOUTH KOREA	1,6%
INDIA	1,0%
<b>EMEA</b>	<b>62%</b>
ITALY	18,4%
SPAIN	5,1%
FINLAND	4,8%
GERMANY	4,6%
FRANCE	3,6%
POLAND	2,9%
RUSSIA	2,9%





# Machine revenues by industry (2018)



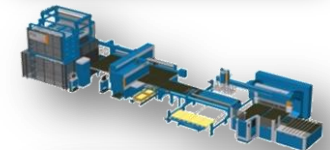
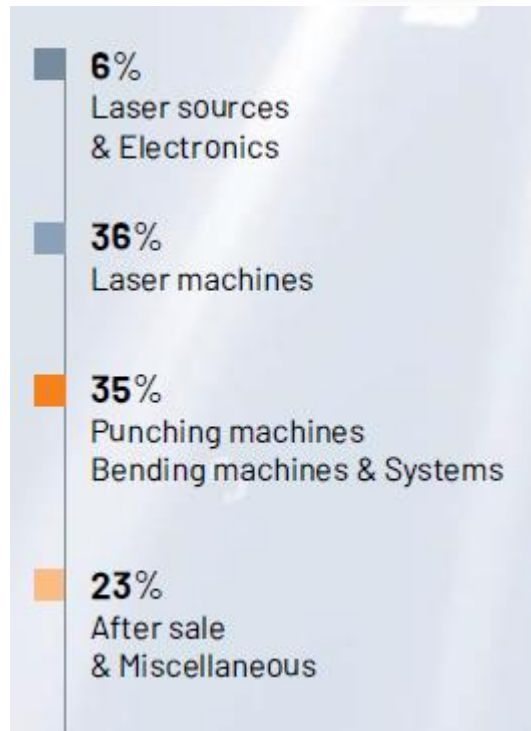
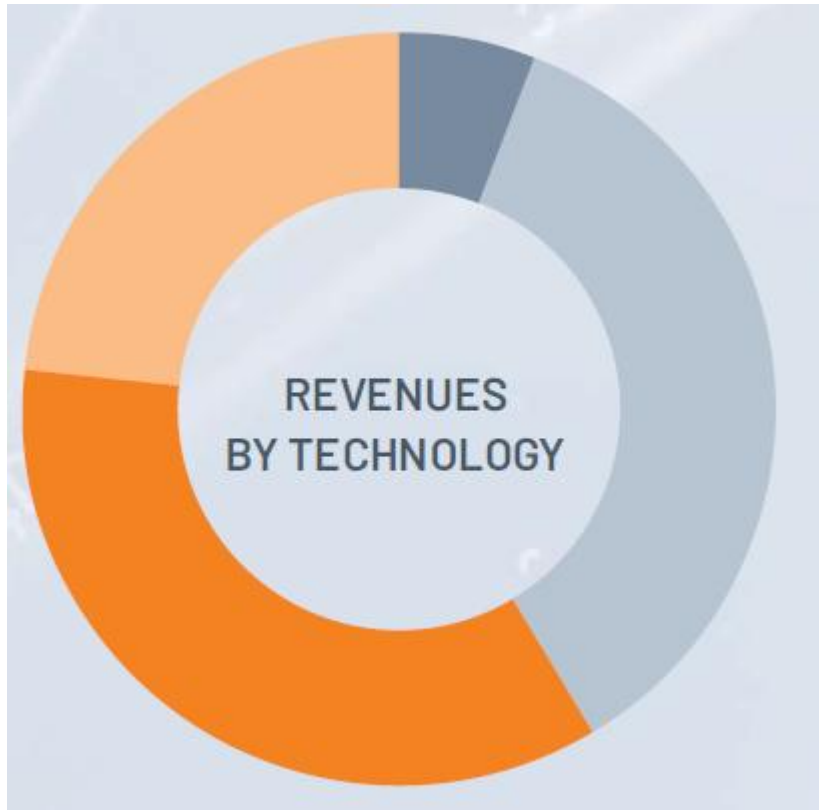
**Prima Industrie solutions can be found in virtually every industry. Our comprehensive product portfolio offers flexible solutions for efficient, reliable and sustainable manufacturing processes used by diversified end markets.**

Our customers are also very diversified as company size, ranging from small family-owned companies through big multinational groups.

We serve both Original Equipment Manufacturers (OEMs), which require high or mass production solutions, and industrial subcontractors, which require maximum flexibility for their diversified production mix.



# Revenues by technology (2018)







# A selection from our 2,000 customers ww



RENAULT VOLVO Audi PROTON Ford BMW  
 KARSAN 东风汽车公司 DONGFENG MOTOR CORPORATION KYMCO FCA  
 Go Further  
 Gonvarri Steel Services TATA ITALDESIGN  
 SUNGWOO HITECH GEELY CECOMP MAGNA  
 tiberina EDAG GESTAMP  
 Metalsa GRUPO DOVER SISTEMA DE TROQUELES SALZGITTERAG  
 Stahl und Technologie  
 ORAN 屹豐集團 YI FENG GROUP ThyssenKrupp  
 COMAU premier group ENGINEERING EXCELLENCE TESLA



AIRBUS ACE PRECISION LOCKHEED MARTIN  
 GE Aviation BOEING SAFRAN Snecma  
 Honeywell Kale Pratt & Whitney  
 Pratt & Whitney A United Technologies Company WSK „PZL-Rzeszów” S.A.  
 Avio Aero TurboCare  
 Lufthansa Technik mitsubishi  
 Paradigm Precision DONCASTERS NORTHROP GRUMMAN  
 HITACHI Inspire the Next STEMAC GRUPOS GERADORES  
 ABB SIEMENS Solar Turbines HIMOINSA  
 GE Oil & Gas A Caterpillar Company  
 HYUNDAI EMERSON FG WILSON AREVA  
 Liebert. Kawasaki  
 Joint Stock Company "KALUGATURBINE WORKS"



# A selection from our 2,000 customers ww



## ELECTRICAL & VENDING EQUIP. - OTHERS





# 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.



# Highlights from financial statements as at Dec.31, 2018

Values in €/thousand	ACT 31.12.18	ACT 31.12.17	Change	Change %
Order Intake	471.245	480.640	(9.395)	-2,0%
Backlog	169.367	169.865	(498)	-0,3%
Revenues	466.932	449.503	17.429	3,9%
EBITDA	45.059	43.178	1.881	4,4%
EBITDA%	9,7%	9,6%	0,1%	-
EBIT	28.041	26.296	1.745	6,6%
EBIT%	6,0%	5,9%	0,1%	-
Net Result	24.058	18.668	5.390	28,9%
FCF	(8.802)	21.878	(30.680)	-140,2%
Net Financial Position	(74.639)	(69.632)	(5.007)	-7,2%
Headcount	1.871	1.781	90	5,1%

(% calculated over the revenues)

(headcount in units)

Values in €/thousand	ACT 31.12.18	ACT 31.12.17	Change	Change %
Revenues constant FX	476.553	449.503	27.050	6,0%
EBITDA adj	47.904	45.063	2.841	6,3%
EBITDA adj %	10,3%	10,0%	0,3%	-
EBIT adj	32.212	28.205	4.007	14,2%
EBIT adj %	6,9%	6,3%	0,6%	-

(% calculated over the revenues)

- Revenues up +6,0% at constant exchange rates
- Prima Electro recovery in revenues and margins
- EBIT Adj at 6,9% slightly better than Dec 2017
- Net Profit growth thanks to EPS gain but negatively affected by non recurring costs and refinancing expenses





# Shareholding structure

