

 **PRIMA
INDUSTRIE**

September 6th, 2017 -

- Palazzo Mezzanotte

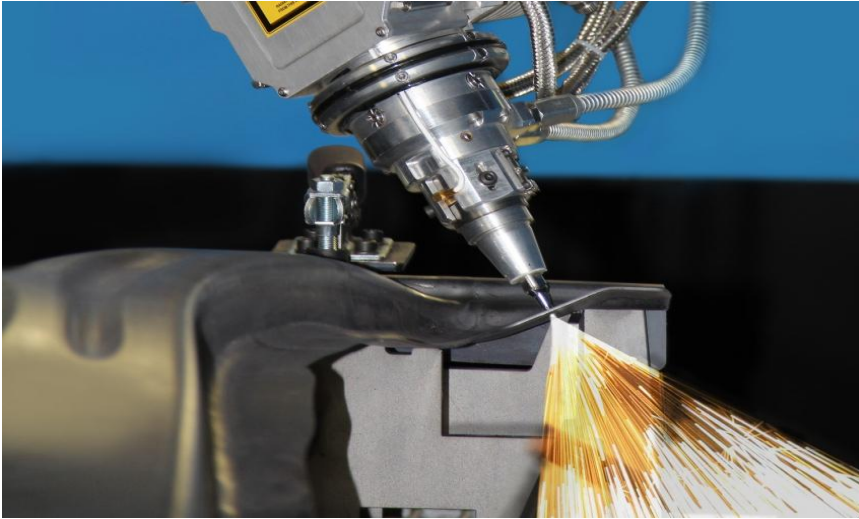


Prima Group at a glance

- Founded in 1977, Prima Industrie is a global leader in **high technology** laser and sheet metal processing systems and electronic components for 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



LASER SOURCES

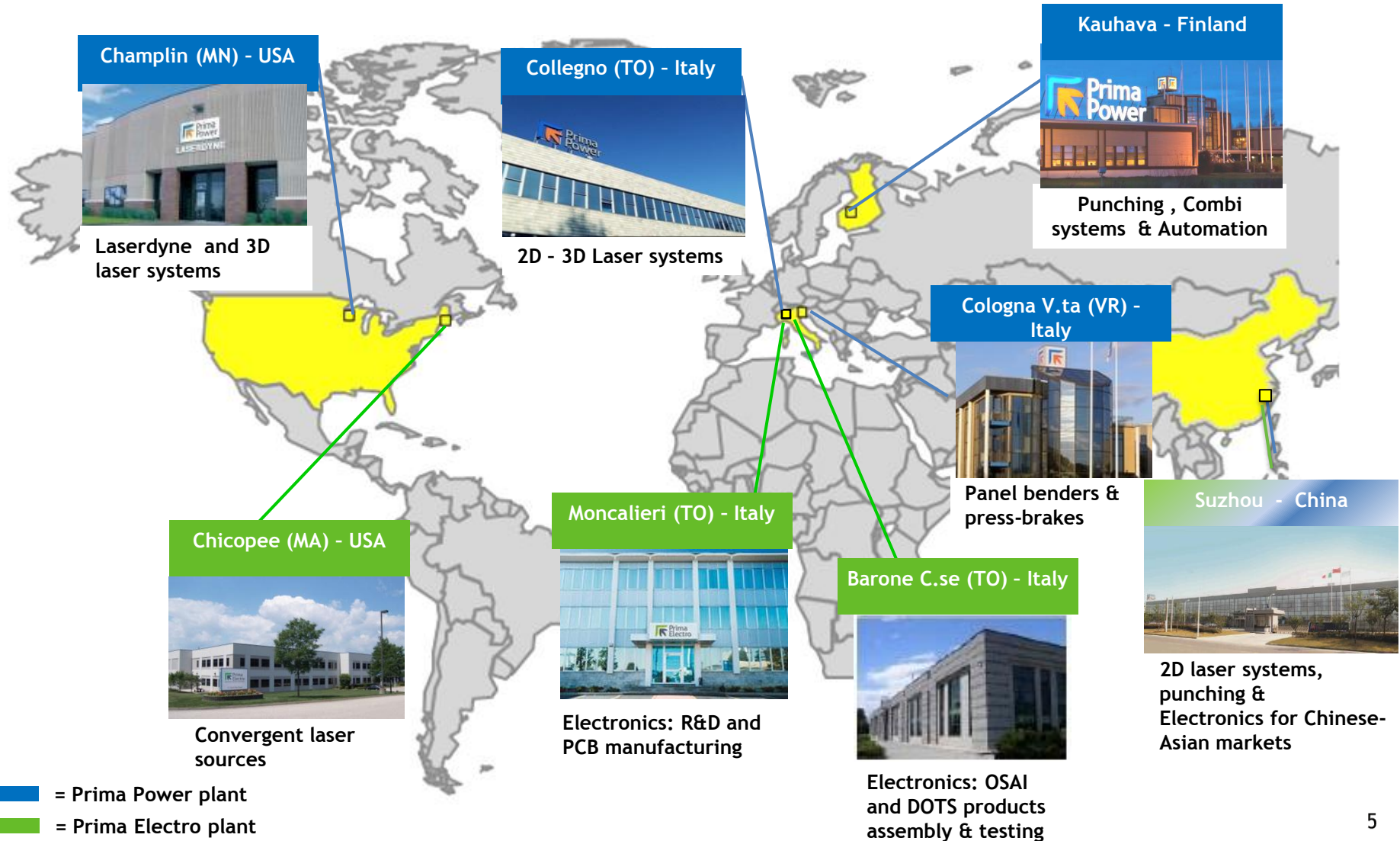
Prima Electro

convergent



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

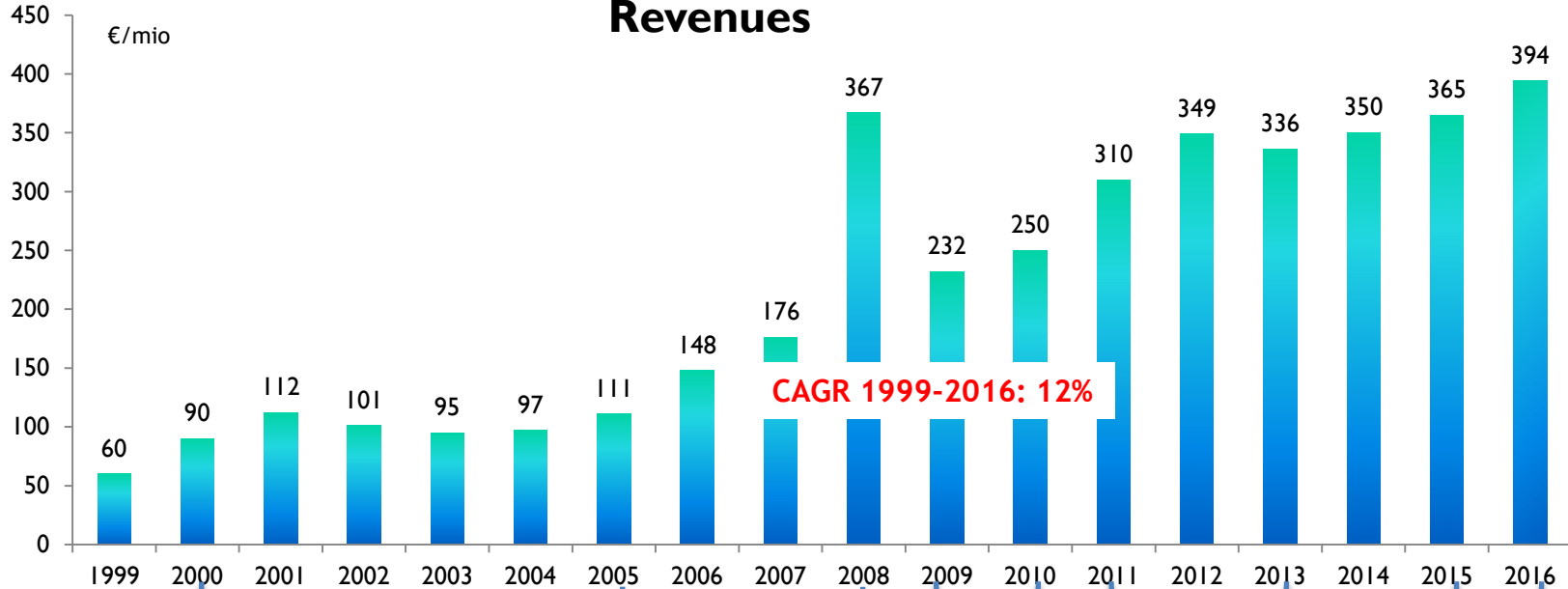
subsidaries or branch offices

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)



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

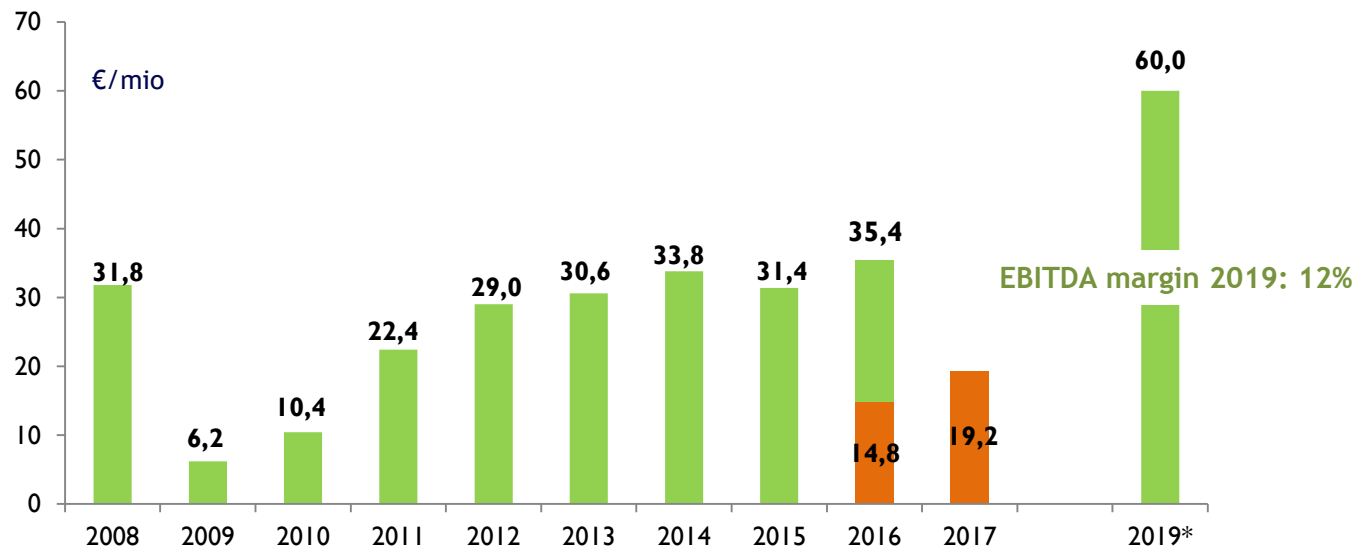
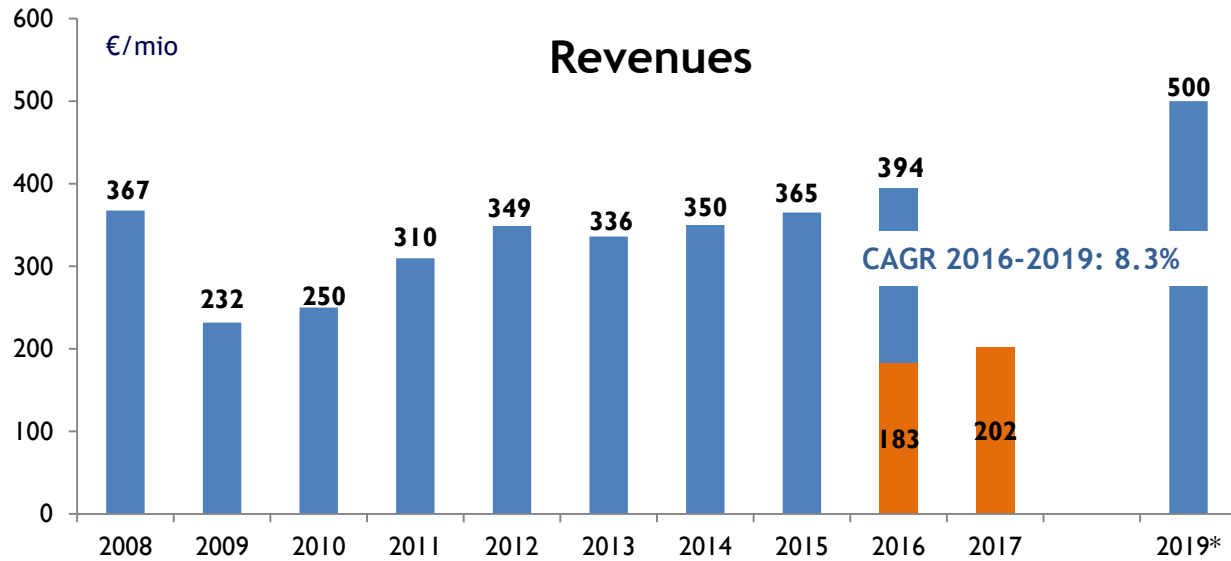
EBITDA DRIVERS



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



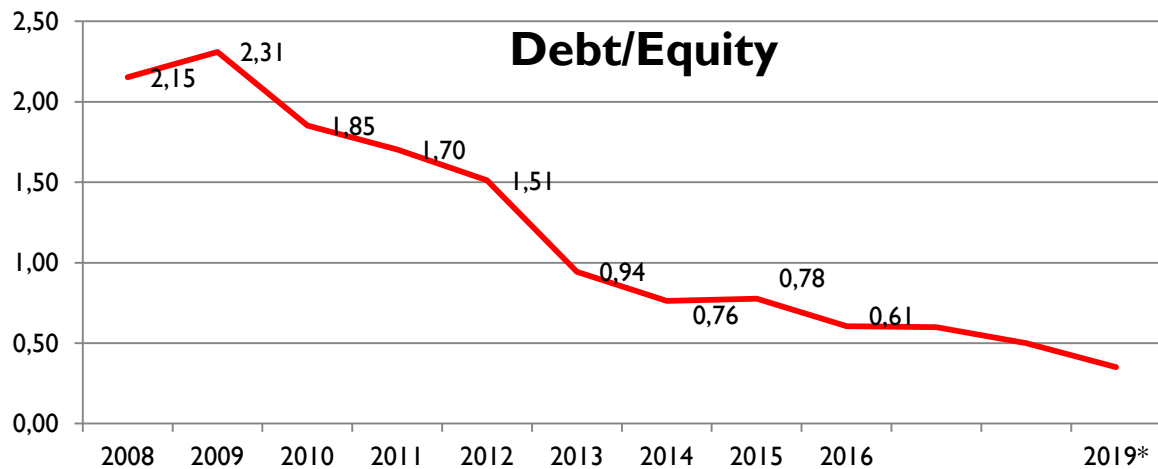
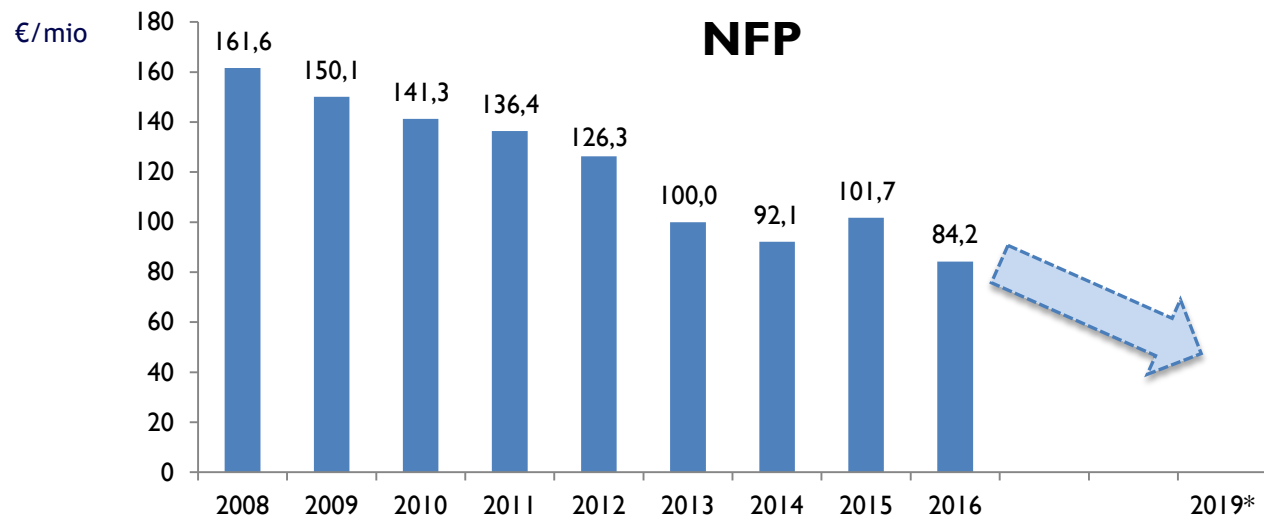
Economic trends



* = according to Company's business plan



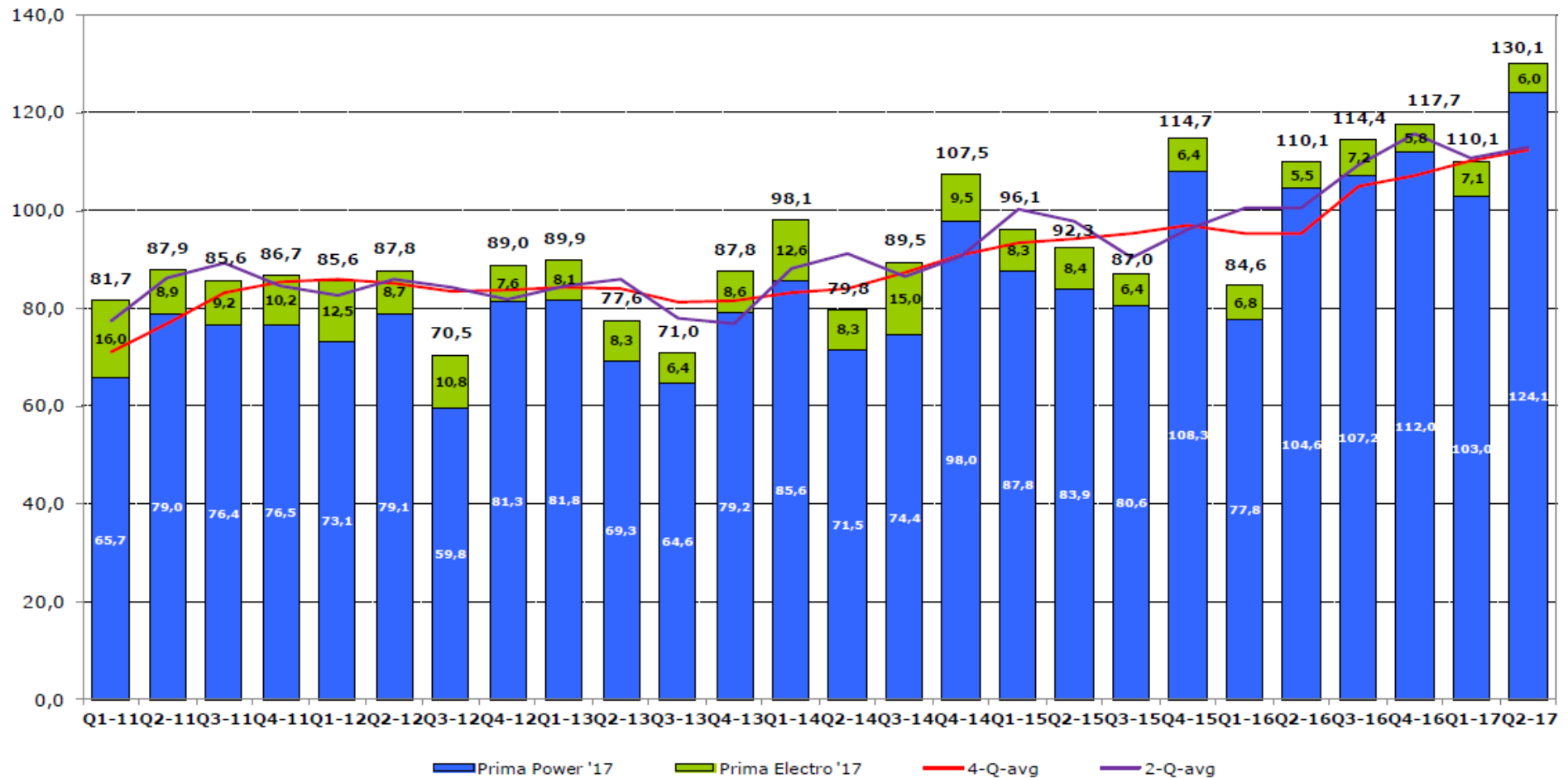
Net financial position trend



* = according to Company's business plan

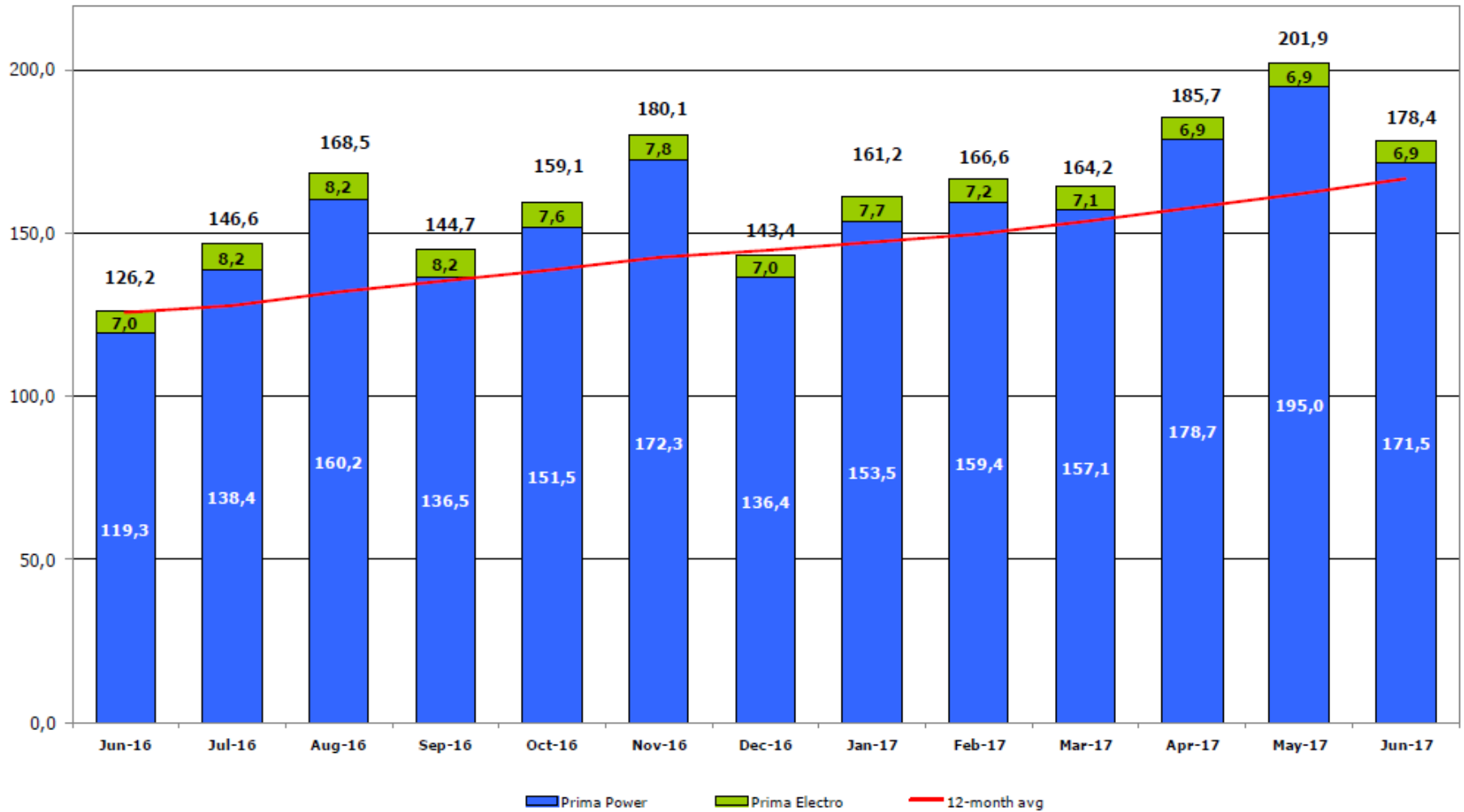


Quarterly order intake since 2011





Last 13 months backlog





Analysts' consensus

tp	2017			2018			2019		
	B. IMI	B. Akros	Consensus	B. IMI	B. Akros	Consensus	B. IMI	B. Akros	Consensus
	34,5	30,9		34,5	30,9		34,5	30,9	
REVENUES	432,0	445	438,5	470	477	473,5	500	510,5	505,3
EBITDA	43,0	49,0	46,0	53,1	57	55,1	60	65,4	62,7
EBIT	27,5	32	29,8	37,1	42	39,6	44	49,9	47,0
NET RESULT	16,6	20	18,3	23,68	27	25,3	29,1	33,9	31,5
NFP	-78,7	-77	-77,9	-60,2	-62	-61,1	-37,8	-40,4	-39,1

CAGR 2016 (A) -2019 consensus: 9.6%

 **BANCA IMI** Released August 7, 2017

 **Banca Akros** Released August 4, 2017
Gruppo Bipiemme

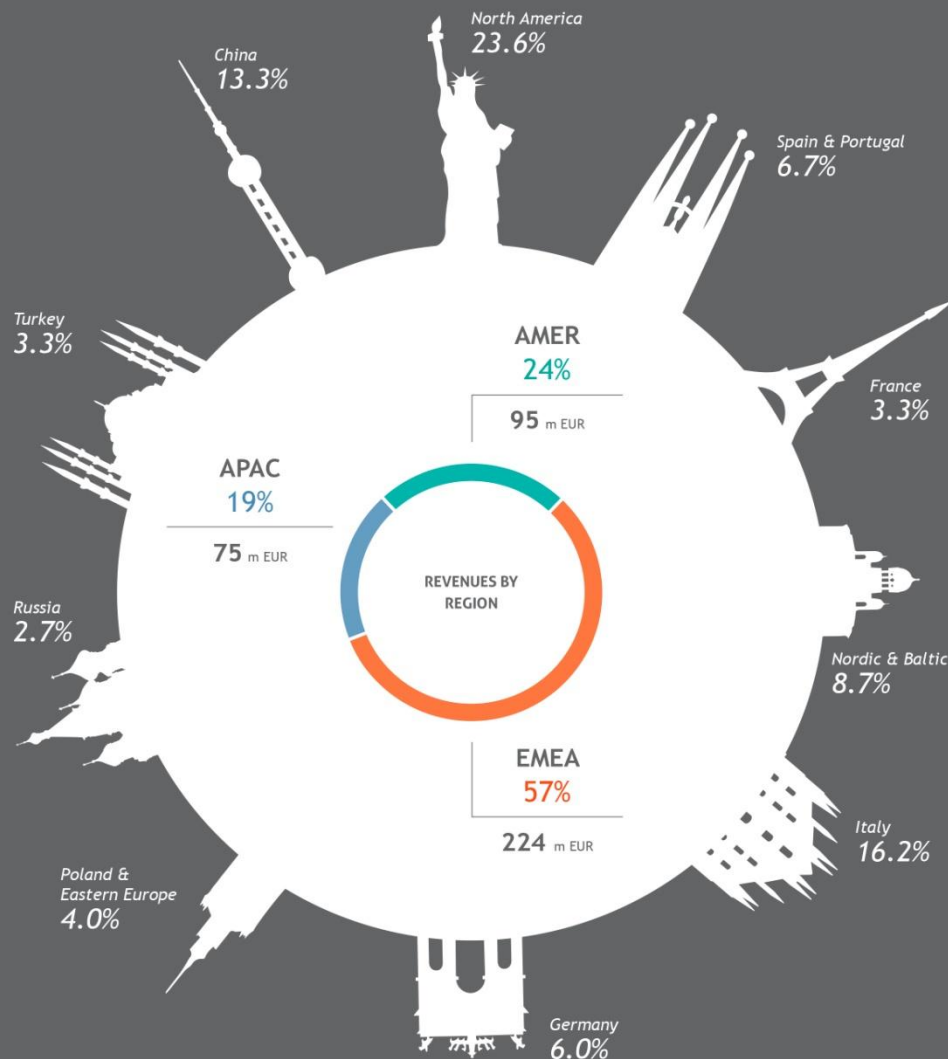


Machine revenues by application



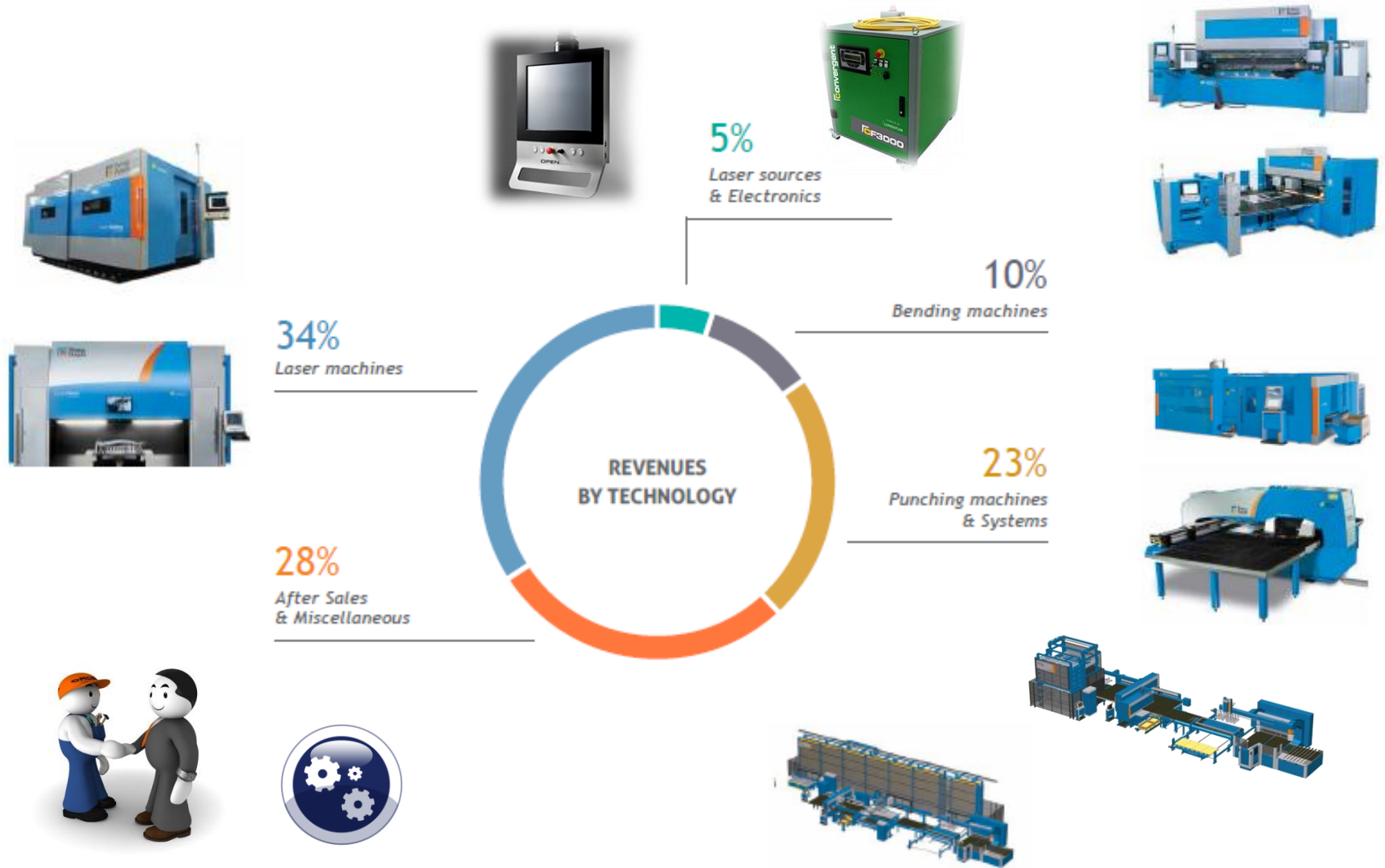


Revenues by geography





Revenues by technology



Figures FY 2016



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



RENAULT VOLVO Audi BMW KARSAN PROTON Ford Go Further FCA DONGFENG MOTOR CORPORATION TATA ITALDESIGN MAGNA SUNGWOOHITECH EDAG CECOMP tiberina EDAG CECOMP Metalsa GRUPO DOVER SISTEMA DE TROQUELES GESTAMP AUTOMOCION YI FENG GROUP SALZGITTERAG Stahl und Technologie THYSSENKRUPP COMAU ORAN



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. TurboCare Solar Turbines A Caterpillar Company mitsubishi DONCASTERS NORTHROP GRUMMAN UNITED STATES MARINE CORPS HITACHI Inspire the Next STEMAC SIEMENS GE Oil & Gas HYUNDAI EG WILSON HIMOINSA EMERSON AREVA Liebert. Kawasaki Joint Stock Company "KALUGATURBINE WORKS"



A selection from our 2,000 customers ww



ELECTRICAL & VENDING EQUIP. - MISCELLANEA

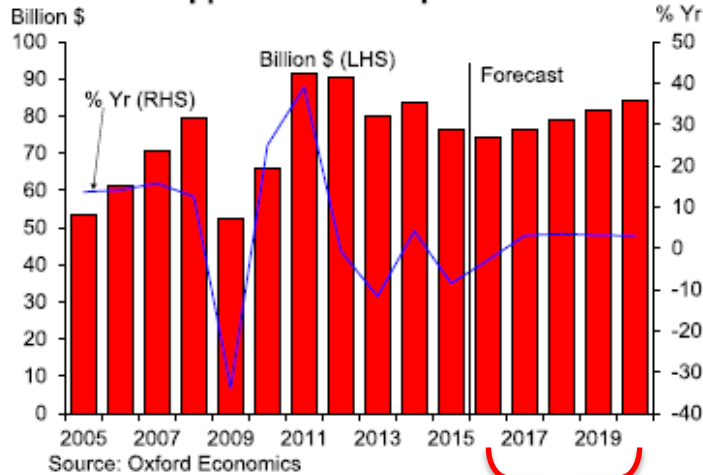




Market trends: machine tool market - by Oxford Economics (update Spring 2017)

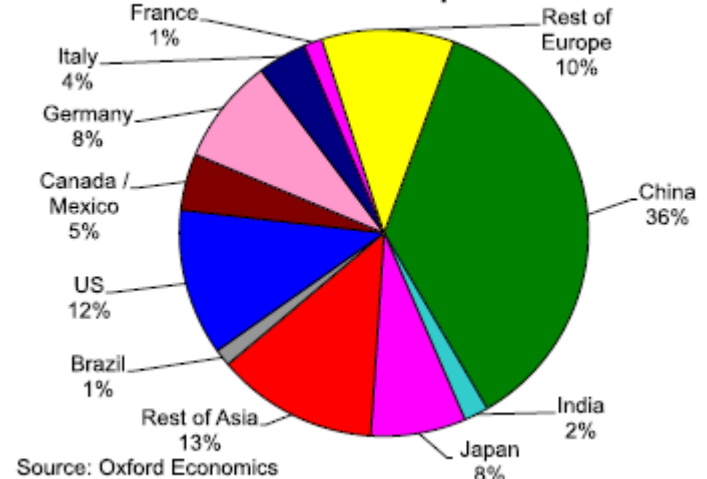


World: MT Apparent consumption

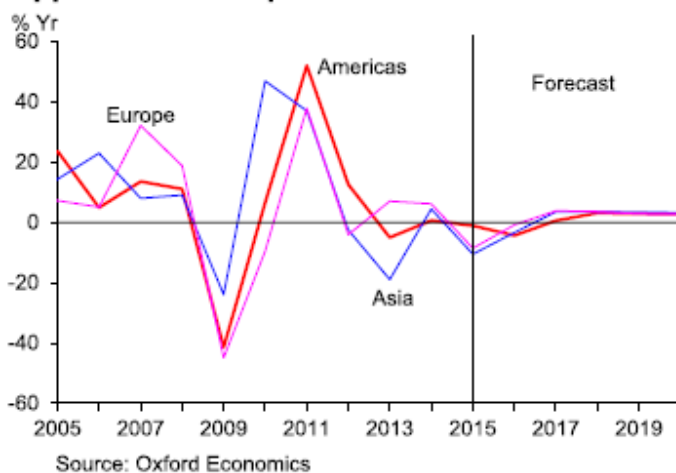


CAGR 2016 - 2020: $\approx 3\%$

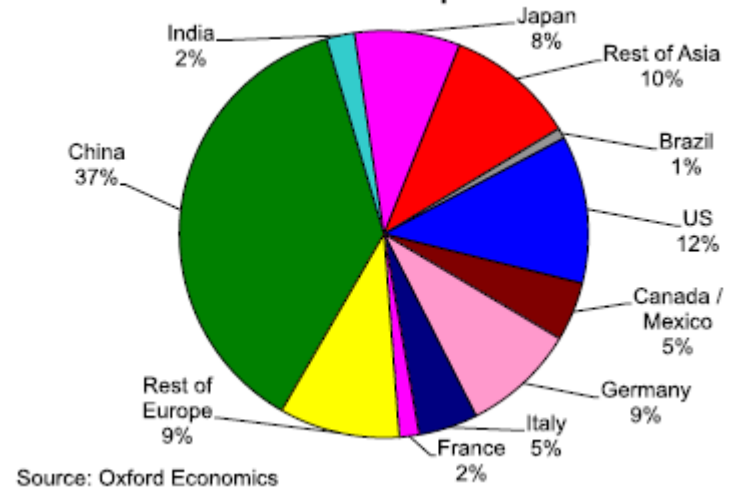
World: Machine tool consumption in 2015



Apparent consumption



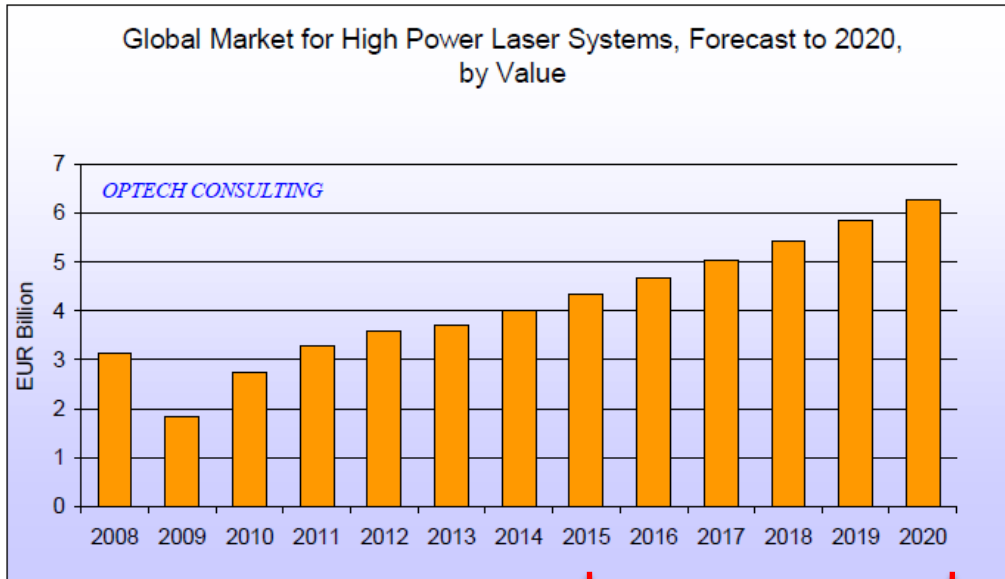
World: Machine tool consumption in 2020



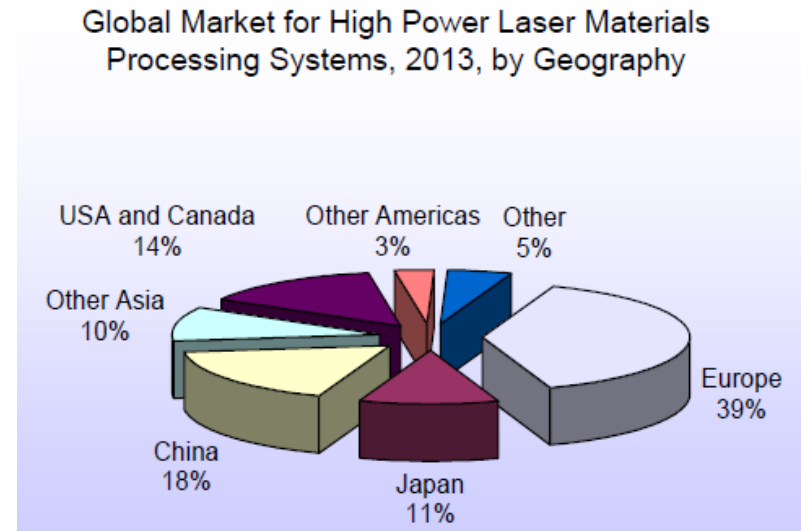


Market trends: laser systems market - by Optech Consulting (last available Jan. 2014)

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



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

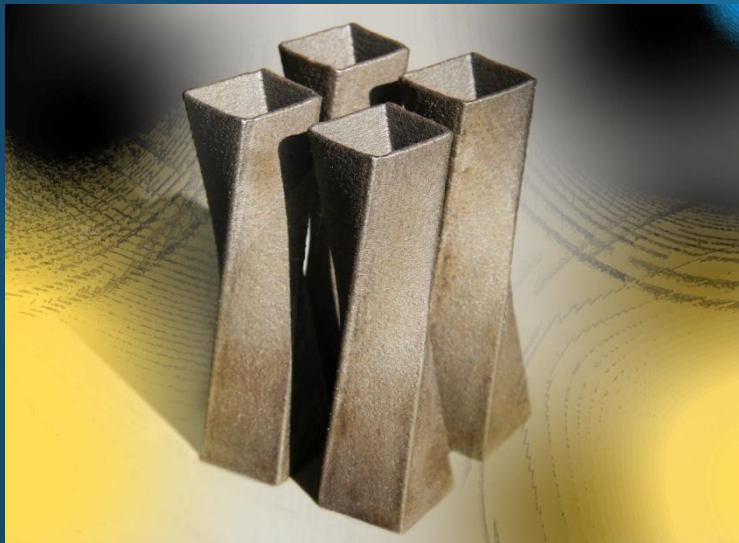
Data-driven machine diagnostics and predictive maintenance services. Production performance analysis, monitoring of machines status and condition.



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 June 30, 2017:

Balance sheet

Values in Euro	30/06/2017	31/12/2016
Property, plant and equipment	34.624.043	35.281.369
Intangible assets	152.764.868	155.713.399
Investments accounted for using the equity method	-	1.009.341
Other investments	359.551	139.051
Non current financial assets	9.578	9.578
Deferred tax assets	12.541.507	11.555.324
NON CURRENT ASSETS	200.299.547	203.708.062
Inventories	119.344.851	98.561.165
Trade receivables	95.231.969	88.376.748
Other receivables	7.959.065	6.425.617
Current tax receivables	9.457.746	5.053.888
Derivatives	978.781	-
Financial assets	791.509	791.509
Cash and cash equivalents	44.740.938	62.679.901
CURRENT ASSETS	278.504.860	261.888.828
Assets held for sale	1.243.165	318.812
TOTAL ASSETS	480.047.572	465.915.702

Values in Euro	30/06/2017	31/12/2016
Capital stock	26.208.185	26.208.185
Legal reserve	4.652.958	4.565.082
Other reserves	69.324.182	70.738.752
Currency translation reserve	3.288.546	6.848.598
Retained earnings	27.621.702	19.276.926
Net result	7.448.537	10.102.304
<i>Stockholders' equity of the Group</i>	<i>138.544.110</i>	<i>137.739.847</i>
<i>Minority interest</i>	<i>1.200.545</i>	<i>1.212.065</i>
STOCKHOLDERS' EQUITY	139.744.655	138.951.912
Interest-bearing loans and borrowings	105.729.629	111.675.762
Employee benefit liabilities	8.001.721	8.100.353
Deferred tax liabilities	7.887.459	8.340.653
Provisions	160.545	162.684
Derivatives	5.793	220.866
NON CURRENT LIABILITIES	121.785.147	128.500.318
Trade payables	98.910.899	88.448.383
Advance payments	33.692.845	26.029.170
Other payables	23.724.186	22.076.067
Interest-bearing loans and borrowings	36.265.707	34.894.444
Current tax payables	5.000.919	7.695.264
Provisions	20.923.213	18.424.370
Derivatives	-	895.774
CURRENT LIABILITIES	218.517.770	198.463.472
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	480.047.572	465.915.702

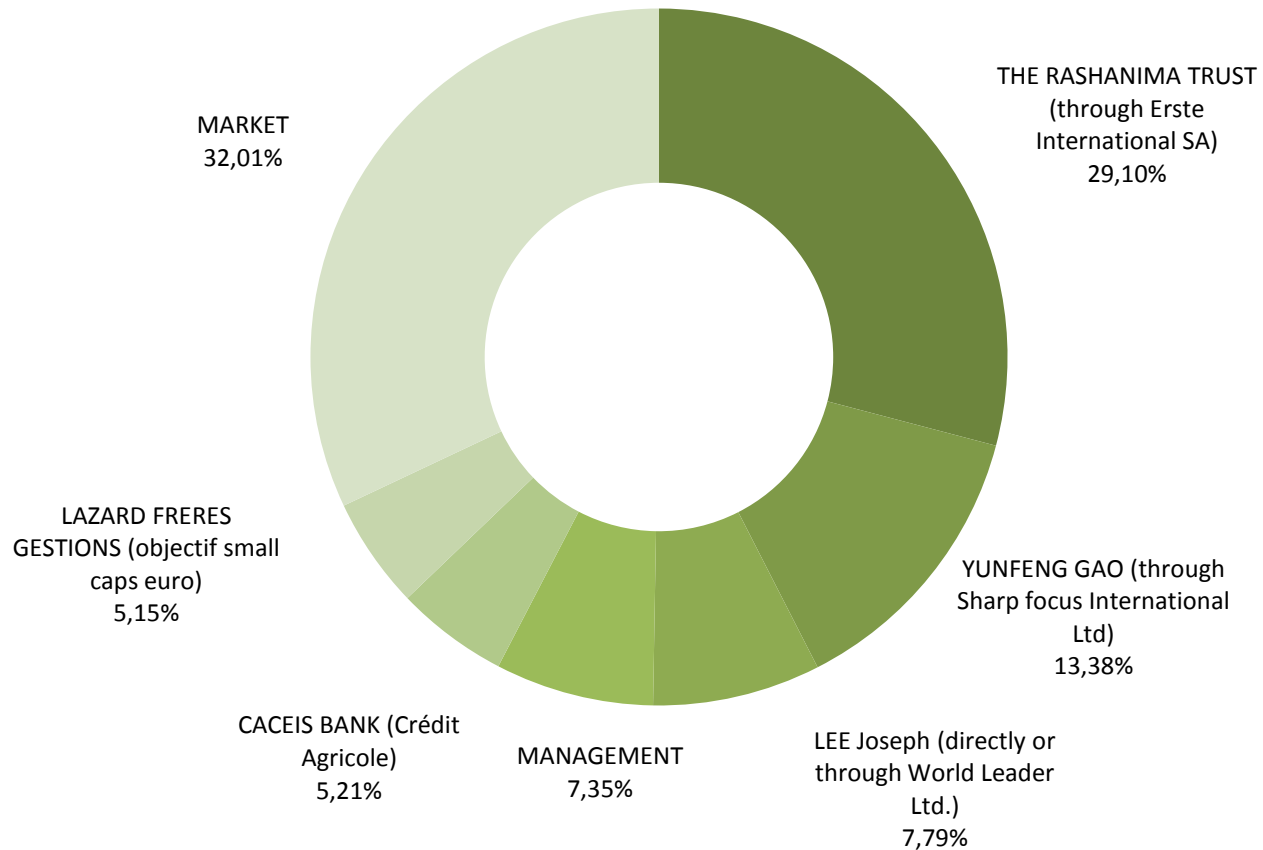


Financial statements as at June 30, 2017: P & L

Values in Euro	30/06/2017	30/06/2016
Net revenues	202.415.105	183.290.613
Cost of goods sold	(150.706.781)	(138.249.017)
GROSS MARGIN	51.708.324	45.041.596
Research and Development costs	(6.336.947)	(5.595.548)
Sales and marketing expenses	(14.424.138)	(13.464.305)
General and administrative expenses	(11.736.050)	(11.200.183)
OPERATING GROSS MARGIN (EBITDA)	19.211.189	14.781.560
<i>of which: non recurring items</i>	<i>(822.812)</i>	<i>(830.354)</i>
Impairment - Write-off	(23.299)	(127.443)
Depreciation	(8.543.764)	(7.571.376)
OPERATING PROFIT (EBIT)	10.644.125	7.082.741
<i>of which: non recurring items</i>	<i>(846.111)</i>	<i>(957.797)</i>
Financial income	2.279.142	538.316
Financial expenses	(3.381.808)	(3.609.964)
Net exchange differences	(1.704.590)	(542.028)
Net result of investments accounted for using the equity method	-	332.287
Net result of other investments	903.676	-
RESULT BEFORE TAXES (EBT)	8.740.546	3.801.352
<i>of which: non recurring items</i>	<i>57.565</i>	<i>(625.510)</i>
Taxes	(1.235.858)	(871.146)
NET RESULT	7.504.687	2.930.206
- Attributable to Group shareholders	7.448.536	2.928.934
- Attributable to minority shareholders	56.151	1.272
RESULT PER SHARE - BASIC (in euro)	0,71	0,28
RESULT PER SHARE - DILUTED (in euro)	0,71	0,28



Shareholding structure





THANK YOU !

