

### **INTERIM REPORT AS AT SEPTEMBER 30<sup>th</sup> 2017**

(in brackets results as at 30/09/2016)

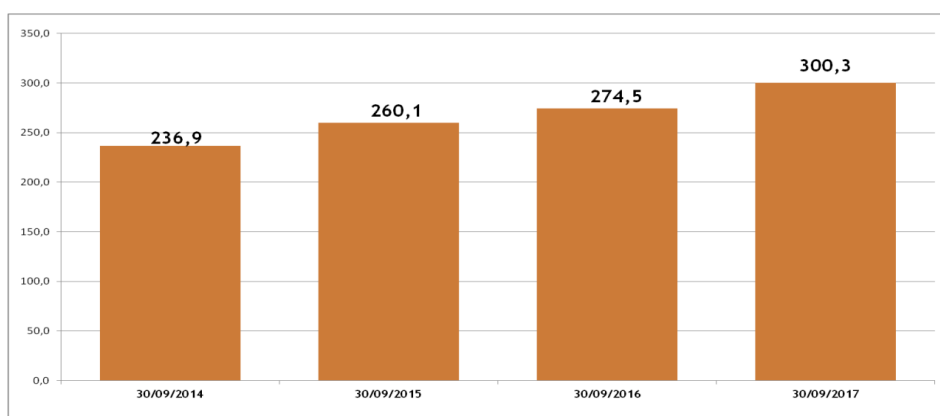
#### **GROWTH CONTINUES FOR THE GROUP NET PROFIT MORE THAN DOUBLED FURTHER STRONG PROGRESS FOR ORDER BACKLOG**

- Consolidated REVENUES at 300.3 M€ (+ 9.4% against 274.5 M€);
- EBITDA at 29.7 M€ (+23.8% against 24.0 M€);
- GROUP NET PROFIT at 12.1 M€ (+116% against 5.6 M€);
- NET FINANCIAL POSITION at -103.1 M€ (against -122.2 M€ at 09/30/2016);
- ORDERS' BACKLOG at 188.1 M€ (+30.0% against 144.7 M€)

*Collegno (TO), November 3<sup>rd</sup> 2017* - The board of Directors of Prima Industrie S.p.A, a company leader in high technology laser systems, sheet metal working systems and electronic components for industrial applications, met today to approve the Interim Report as at 30/09/2017.

The Groups closed the third quarter of 2017 reaching consolidated revenues of 300,306 thousand euro, increasing about 9.4% against the same period of the previous year.

Growth in turnover is a steady trend over time and in the last three years revenue growth for the first nine months of the year shows an increase (CAGR) of 8.2% (as can be seen from the chart below).



This positive performance is, in addition to the good performance of the reference markets, the result of the significant investments made by the group during the recent years in research and development (renewal of the product range and development of the proprietary fiber laser source) and for the commercial strengthening.

Below are the main economic indicators of the Group as at 30/09/2017, broken down by Division, compared with the same period of the previous year:

*Values in euro thousand*

30/09/17	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	282.507	69.300	24,5%	28.499	10,1%	18.367	6,5%	11.417
PRIMA ELECTRO	36.442	7.696	21,1%	1.506	4,1%	(993)	-2,7%	939
ELIMINATIONS	(18.643)	(376)	2,0%	(353)	1,9%	(342)	1,8%	(225)
<b>GROUP</b>	<b>300.306</b>	<b>76.620</b>	<b>25,5%</b>	<b>29.652</b>	<b>9,9%</b>	<b>17.032</b>	<b>5,7%</b>	<b>12.131</b>

*( % calculated over the revenues)*

*Values in euro thousand*

30/09/16	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	256.235	60.106	23,5%	23.136	9,0%	14.235	5,6%	7.240
PRIMA ELECTRO	30.384	7.705	25,4%	969	3,2%	(1.847)	-6,1%	(1.193)
ELIMINATIONS	(12.083)	(219)	1,8%	(83)	0,7%	(72)	0,6%	(422)
<b>GROUP</b>	<b>274.536</b>	<b>67.592</b>	<b>24,6%</b>	<b>24.022</b>	<b>8,8%</b>	<b>12.316</b>	<b>4,5%</b>	<b>5.625</b>

*( % calculated over the revenues)*

The above table shows that the overall growth of revenues is coming both from PRIMA POWER division (26,272 thousand euro), and from PRIMA ELECTRO division (6,058 thousand euro). The turnover recovery of PRIMA ELECTRO division relates to internal supplies of fiber lasers.

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Following is the consolidated revenues geographical break down at 30/09/2017 compared with the same period of the previous year:

Revenues	30/09/17		30/09/16	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
EMEA	158.198	52,7	155.740	56,7
AMERICAS	87.737	29,2	67.781	24,7
APAC	54.371	18,1	51.015	18,6
<b>TOTAL</b>	<b>300.306</b>	<b>100,0</b>	<b>274.536</b>	<b>100,0</b>

It should be noted that the Group recorded consolidated revenues in EMEA area for 158,198 thousand euro; in particular the Group recorded good results in Italy (15.5% of consolidated revenues), in Northern Europe (7.1% of consolidated revenues), in Spain (5.5% of consolidated revenues), in Germany (5.1% of consolidated revenues), in Russia and Eastern Europe (7.8% of consolidated revenues).

The portion of revenues generated in AMERICAS rose significantly compared to the same period of 2016, growing from 67,781 thousand euro to 87,737 thousand euro (+29.4%); much of this growth is related to revenues generated in Northern America, whose turnover grew from 66,820 thousand euro to 84,705 thousand euro (+26.8%, equal to 28.2% of consolidated revenues).

As for APAC countries, revenues increased compared to 2016, growing from 51,015 thousand euro to 54,371 thousand euro (+6.6%); this growth mainly refers to China, whose turnover grew from 38,044 thousand euro to 42,141 thousand euro (+10.8%, equal to 14.0% of consolidated revenues).

\* \* \* \* \*

The Group's EBITDA at 30/09/2017 amounted to 29,652 thousand euro (9.9% of revenues), an increase of 5,630 thousand euro compared to same period of 2016 (it was equal to 24,022 thousand euro at 30/09/2016).

Consolidated **EBIT** at 30/09/2017 is equal to 17,032 thousand euro (equal to 5.7% of revenues), an increase of 4,716 thousand euro compared to the same period of the previous year (it was equal to 12,316 thousand euro). This result is affected by depreciation of intangible assets for 9,336 thousand euro and of tangible assets for 3,261 thousand euro. With regard to the amortization of intangible assets, the main relates to amortization of development costs (6,351 thousand euro) and to the amortization related to assets with a defined useful life recognized in the FINN-POWER Group business (brand and customer relations - "customer list") which are equal to 2,385 thousand euro.

The Group's **EBT** at 30/09/2017 is positive for 14,186 thousand euro, increasing significantly compared to 30/09/2016, when EBT was positive for 7,223 thousand euro. Consolidated EBT reflects net financial charges (including profits and losses on Exchange rates) for 4,787 thousand euro (at 30/09/2016 they were equal to 5,425 thousand euro) and benefits from a plus value on the sale of EPS SA shares for 1,941 thousand euro.

The Group **NET RESULT** at 30/09/2017 is positive for 12,131 thousand euro (it was positive for 5,625 thousand euro at 30/09/2016); the Net Result attributable to the Parent Company is equal to 12,061 thousand euro.

\* \* \* \* \*

At 30/09/2017 **net financial position** of the Group shows a net debt of 103,122 thousand euro, compared to 122,252 thousand euro at 30/09/2016 and to 84,215 thousand euro at 31/12/2016. The increase in indebtedness reflects the higher volumes expected in the coming fourth quarter of the year.

Below is the breakdown of the net financial position

Values expressed in Euro thousand	30/09/17	31/12/16	30/09/16
CASH & CASH EQUIVALENTS	(43.320)	(62.680)	(28.332)
CURRENT FINANCIAL RECEIVABLES	(1.168)	(792)	(847)
CURRENT FINANCIAL LIABILITIES	45.957	35.790	33.951
NON CURRENT FINANCIAL LIABILITIES	101.653	111.897	117.480
<b>NET FINANCIAL POSITION</b>	<b>103.122</b>	<b>84.215</b>	<b>122.252</b>

\* \* \* \* \*

During the first nine months of 2017 the **order acquisition** of the Group (including after-sale service) amounted to 351.0 million euro, an increase of 14.8% against 305.8 million euro at 30/09/2016.

Consolidated **order backlog** (not including *after-sale service*) at 30/09/2017 amounts to 188.1 million euro (+30% against 144.7 million euro at 30/09/2016).

The Group Chairman, Gianfranco Carbonato, noted: *"The first nine months of the year were characterized by sustained growth, thanks to a favorable situation in the reference markets and the first returns of the strong investments made. Based on the current order book and the general economic situation, the Group expects the 2017 results to be in line with the medium to long-term objectives of the 2017-2019 Business Plan."*

*"The manager responsible for preparing the company's financial reports, Davide Danieli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law of Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records".*

The document with the Interim Report as at 30/09/2017 shall be filed and made available at the Company registered offices and on the internet site [www.primaindustrie.com](http://www.primaindustrie.com) as well as on the authorized storage mechanism 1info, [www.1info.it](http://www.1info.it), within the prescribed time.

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The alternative performance indicators used and accompanied by an explanation which reflects their content and basis of calculation are as follows:

- EBIT (which corresponds to "Operating income");
- EBITDA ( "Earnings before interest, taxes, depreciation and amortization"), which is determined by adding to the "Operating Profit" in the financial statements the "Amortization" and the "Impairment and write-downs";
- EBT (which corresponds to the "Profit before tax");

**PRIMA INDUSTRIE** heads a leading Group in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery, as well as industrial electronics and laser technologies.  
The parent company Prima Industrie S.p.A. is listed on the Italian Stock Exchange since 1999 (MTA- STAR segment).  
With 40 years of experience the Group can count on over 12,000 machines installed in more than 80 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has about 1,700 employees and manufacturing sites in **Italy** (PRIMA INDUSTRIE S.p.A, PRIMA ELECTRO S.p.A, FINN-POWER Italia Srl), **Finland** (FINN-POWER Oy), **USA** (Convergent Photonics Llc, PRIMA POWER LASERDYNE Llc.) and **China** (PRIMA POWER SUZHOU Co. Ltd.). Remarkable is as well its direct commercial and after-sales presence in BRIC, NAFTA, European Union and other emerging Asian countries.

The Prima Industrie Group is structured on 2 Business Units:

**Laser and sheet metal processing machines (Prima Power):** including design, manufacturing and marketing of:

- Laser machines for cutting, welding and drilling of 3D and 2D components.
- Machines for sheet metal treatment by means of mechanical tools (punching machines, combined punching/shearing systems, combined punching/laser cutting systems, panel benders and automation systems).

**Industrial electronics and laser technologies (Prima Electro):** including development, manufacturing and marketing of power and control electronics, and of high-power laser sources for industrial applications, destined both to the Group machines and to third parties.

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## CONSOLIDATED BALANCE SHEET

Values in Euro	30/09/2017	31/12/2016
Property, plant and equipment	34.994.884	35.281.369
Intangible assets	151.091.012	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	12.511.408	11.555.324
<b>NON CURRENT ASSETS</b>	<b>198.966.433</b>	<b>203.708.062</b>
Inventories	128.588.820	98.561.165
Trade receivables	98.674.948	88.376.748
Other receivables	8.401.335	6.425.617
Current tax receivables	7.262.408	5.053.888
Derivatives	376.843	-
Financial assets	791.509	791.509
Cash and cash equivalents	43.319.846	62.679.901
<b>CURRENT ASSETS</b>	<b>287.415.708</b>	<b>261.888.828</b>
<b>Assets held for sale</b>	<b>1.152.107</b>	<b>318.812</b>
<b>TOTAL ASSETS</b>	<b>487.534.247</b>	<b>465.915.702</b>
Capital stock	26.208.185	26.208.185
Legal reserve	4.652.958	4.565.082
Other reserves	69.292.933	70.738.752
Currency translation reserve	1.837.052	6.848.598
Retained earnings	27.621.702	19.276.926
Net result	12.060.789	10.102.304
<b>Stockholders' equity of the Group</b>	<b>141.673.619</b>	<b>137.739.847</b>
<b>Minority interest</b>	<b>1.197.109</b>	<b>1.212.065</b>
<b>STOCKHOLDERS' EQUITY</b>	<b>142.870.728</b>	<b>138.951.912</b>
Interest-bearing loans and borrowings	101.588.205	111.675.762
Employee benefit liabilities	7.991.437	8.100.353
Deferred tax liabilities	6.585.291	8.340.653
Provisions	160.545	162.684
Derivatives	64.371	220.866
<b>NON CURRENT LIABILITIES</b>	<b>116.389.849</b>	<b>128.500.318</b>
Trade payables	88.842.443	88.448.383
Advance payments	45.802.306	26.029.170
Other payables	23.568.980	22.076.067
Interest-bearing loans and borrowings	45.957.521	34.894.444
Current tax payables	3.599.329	7.695.264
Provisions	20.503.092	18.424.370
Derivatives	-	895.774
<b>CURRENT LIABILITIES</b>	<b>228.273.670</b>	<b>198.463.472</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>487.534.247</b>	<b>465.915.702</b>

## CONSOLIDATED INCOME STATEMENT

Values in Euro	30/09/2017	30/09/2016
Net revenues	300.305.631	274.536.038
Cost of goods sold	(223.685.525)	(206.943.702)
<b>GROSS MARGIN</b>	<b>76.620.105</b>	<b>67.592.336</b>
Research and Development costs	(9.631.959)	(8.133.463)
Sales and marketing expenses	(20.373.590)	(19.239.112)
General and administrative expenses	(16.962.212)	(16.198.245)
<b>OPERATING GROSS MARGIN (EBITDA)</b>	<b>29.652.345</b>	<b>24.021.516</b>
Impairment - Write-off	(23.299)	(127.409)
Depreciation	(12.597.081)	(11.578.280)
<b>OPERATING PROFIT (EBIT)</b>	<b>17.031.966</b>	<b>12.315.827</b>
Financial income	2.674.159	650.989
Financial expenses	(4.976.185)	(5.382.625)
Net exchange differences	(2.484.646)	(693.602)
Net result of investments accounted for using the equity method	-	332.287
Net result of other investments	1.940.698	-
<b>RESULT BEFORE TAXES (EBT)</b>	<b>14.185.991</b>	<b>7.222.876</b>
Taxes	(2.055.365)	(1.598.279)
<b>NET RESULT</b>	<b>12.130.626</b>	<b>5.624.597</b>
- Attributable to Group shareholders	12.060.789	5.584.130
- Attributable to minority shareholders	69.838	40.467
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>1,15</b>	<b>0,53</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>1,15</b>	<b>0,53</b>

### NOTE

*In order to allow a better representation of its economic results, starting from 2017 the Company presents the income statement with a view by function, rather than by nature (as it was up to the 2016 Annual Report). Therefore, the income statement is presented by function, otherwise defined as "cost of goods sold"; this costs analysis carried out according to the destination of the same is considered more representative than the so-called presentation by nature. This format is in fact compliant with the internal reporting and management and is in line with international practice in the industry in which the Group operates.*

## CONSOLIDATED STATEMENT OF CASH FLOWS

VALUES IN EURO	30/09/2017	30/09/2016 (**)
Net result	12.130.626	5.624.597
<i>Adjustments (sub-total)</i>	<b>(17.010.016)</b>	<b>(5.166.079)</b>
Depreciation, impairment & write-off	12.620.380	11.705.689
Gain from sales of shares in other investments	(1.940.698)	-
Net change in deferred tax assets and liabilities	(2.711.446)	(2.235.230)
Change in employee benefits	(108.916)	(235.292)
Change in inventories	(30.027.655)	(14.259.310)
Change in trade receivables	(10.298.200)	(4.157.159)
Change in trade payables and advances	20.167.196	1.339.003
Net change in other receivables/payables and other assets/liabilities	(4.710.677)	2.676.220
<b>Cash Flows from (used in) operating activities (A)</b>	<b>(4.879.389)</b>	<b>458.518</b>
<b>Cash flow from investments</b>		
Acquisition of tangible fixed assets (*)	(3.650.420)	(2.292.842)
Acquisition of intangible fixed assets	(424.621)	(469.373)
Capitalization of development costs	(5.276.013)	(7.664.664)
Net disposal of fixed assets	69.187	171.602
Capital increase/decrease in Other investments (*)	1.961.780	-
Capital increase/decrease investments accounted for using the equity method	-	60.126
<b>Cash Flows from (used in) investing activities (B)</b>	<b>(7.320.088)</b>	<b>(10.195.151)</b>
<b>Cash flow from financing activities</b>		
Change in other financial assets/liabilities and other minor items	(225.685)	347.491
Increases in loans and borrowings (including bank overdrafts)	14.099.590	10.526.285
Repayment of loans and borrowings (including bank overdrafts)	(12.463.068)	(9.824.693)
Repayments in financial lease liabilities	(330.095)	(173.406)
Dividends paid	(3.144.981)	(2.620.818)
Change in currency translation reserve	(5.011.546)	(1.489.490)
Other variations	-	-
<b>Cash Flows from (used in) financing activities (C)</b>	<b>(7.075.785)</b>	<b>(3.234.631)</b>
<b>Cash Flows from (used in) change of minority shareholders (D)</b>	<b>(84.794)</b>	<b>(62.499)</b>
<b>Net change in cash and equivalents (E=A+B+C+D)</b>	<b>(19.360.055)</b>	<b>(13.033.763)</b>
<b>Cash and equivalents beginning of period (F)</b>	<b>62.679.901</b>	<b>41.365.408</b>
<b>Cash and equivalents end of period (G=E+F)</b>	<b>43.319.846</b>	<b>28.331.645</b>

(\*) not included the acquisition of real estate assets by means of a financial lease and included assets held for sale

(\*\*) for a better comprehension, the 2016 figures have been re-exposed