

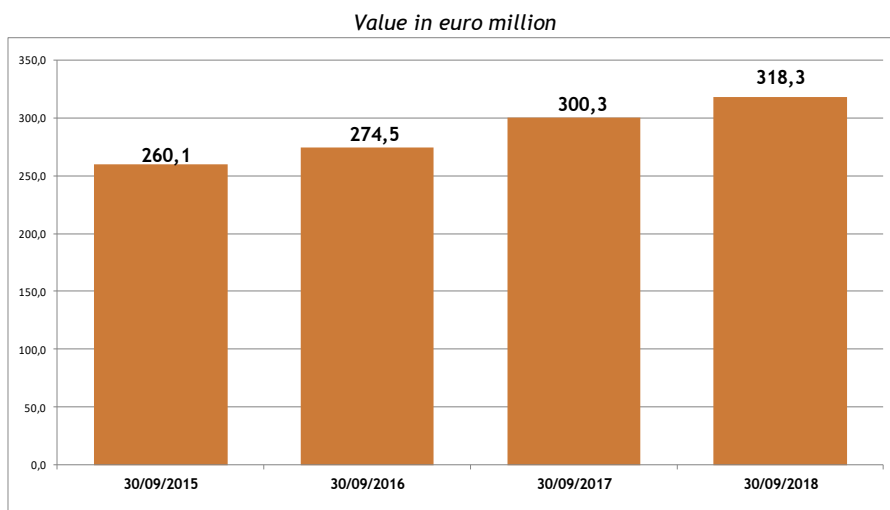
INTERIM REPORT AS AT SEPTEMBER 30th 2018
(in brackets results as at 30/09/2017)

**THE GROWTH OF THE GROUP CONTINUES ALSO IN THE THIRD QUARTER 2018,
DESPITE THE SLOWDOWN OF SOME MARKETS**

- Consolidated REVENUES at 318.3 M€ (+ 6.0% against 300.3 M€);
- Adj. EBITDA at 31.3 M€ (+3.6% compared to 30.2 M€);
- Adj. EBIT at 19.6 M€ (+11.4% against 17.6 M€);
- GROUP NET PROFIT at 14.4 M€ (+19.0% against 12.1 M€);
- NET FINANCIAL POSITION at -94.8 M€ (against -103.1 M€);
- ORDER BACKLOG at 188.0 M€ (stable compared to 188.1 M€).

Collegno (TO), November 5th 2018 - 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 30/09/2018.

The Group closed the third quarter of 2018 reaching a turnover of 318,304 thousand euro, up 6.0% from the nine months of 2017. At constant exchange rates, growth would have been of 9.2%. 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 annual increase (CAGR) of 7.0% (as can be seen from the chart below).



The Group's profitability was influenced in the first nine months of 2018 by a product mix with machines destined to the sheet metal fabrication sector prevailing over machines for the automotive industry.

In addition, the performance was affected by some non-recurring costs, which penalized EBITDA for a total of 1,933 thousand euro, and mainly refer to professional consultancies for extraordinary events, to the relocation of the Finnish plant and to the restructuring of the German company.

The consolidated net result instead benefited from non-recurring profits (equal to 7,179 thousand euro) related to the total sale of the equity investment held by Prima Electro in the company Electro Power Systems S.A. (EPS), which more than offset the non-recurring financial costs (equal to 1,885 thousand euro) related to the refinancing of the bond and the medium-term bank debt.

Below are the main economic indicators of the Group at 30/09/2018 by Division, compared with the corresponding period of the previous year:

Values in euro thousand

30/09/18	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	294.561	68.853	23,4%	26.796	9,1%	17.233	5,9%	7.547
PRIMA ELECTRO	42.853	9.516	22,2%	3.138	7,3%	692	1,6%	7.306
ELIMINATIONS	(19.110)	(563)	-2,9%	(593)	-3,1%	(593)	-3,1%	(431)
GROUP	318.304	77.806	24,4%	29.341	9,2%	17.332	5,4%	14.422

(% calculated over the revenues)

Values in euro thousand

30/09/17	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	282.507	67.979	24,1%	28.499	10,1%	18.367	6,5%	11.417
PRIMA ELECTRO	36.442	7.107	19,5%	1.506	4,1%	(993)	-2,7%	939
ELIMINATIONS	(18.643)	(376)	-2,0%	(353)	-1,9%	(342)	-1,8%	(225)
GROUP	300.306	74.710	24,9%	29.652	9,9%	17.032	5,7%	12.131

(% calculated over the revenues)

PRIMA ELECTRO Division shows a marked improvement in revenues (17.6%) and profitability (EBITDA from 4.1% to 7.3% of revenues) while, as mentioned above, the results of PRIMA POWER Division were affected by non-recurring costs.

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Following is the consolidated revenues geographical break down at 30/09/2018 compared with the same period of the previous year:

Revenues	30/09/18		30/09/17	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
EMEA	195.804	61,5	158.198	52,7
AMERICAS	77.115	24,2	87.737	29,2
APAC	45.385	14,3	54.371	18,1
TOTAL	318.304	100,0	300.306	100,0

The above table shows that Group revenues at 30/09/2018 (compared to 30/09/2017) had an important growth in EMEA area (+23.8%); on the other hand, there was a downturn both in AMERICAS (-12.1%) and in APAC (-16.5%).

The Group generated consolidated revenues in the EMEA area for 195,804 thousand euro; in particular, the Group achieved good results in Italy (18.6% of consolidated revenues), in Northern Europe (8.1% of

consolidated revenues), in Russia and in Eastern Europe (total of 7.8% of consolidated revenues), in Spain (5.1% of consolidated revenues) and in Germany (4.4% of consolidated revenues).

The share of revenues generated by AMERICAS decreased compared to 2017, from 87,737 thousand euro to 77,115 thousand euro (-12.1%). The reduction is exclusively attributable to the automotive sector, while sheet metal fabrication has continued to grow. It should be noted that at constant exchange rates, turnover in the AMERICAS area would have been only 5.3% lower than last year.

As for the APAC countries, revenues decreased compared to 2017, passing from 54,371 thousand euro to 45,385 thousand euro (-16.5%); this decrease mainly refers to a decline in China, whose revenues went from 42,141 thousand euro to 28,291 thousand euro. The decline in China mainly derives from a slowdown in the order acquisition that took place in the first part of the year, as well as from a shift to subsequent quarters of an important contract in the automotive sector.

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The **EBITDA** of the Group at 30/09/2018 is equal to 29,341 thousand euro (9.2% of revenues).

It is necessary to point out that EBITDA was negatively influenced by non-recurring costs equal to 1,933 thousand euro (at 30/09/2017 they were 544 thousand euro); therefore, **adjusted EBITDA** is equal to 31,274 thousand euro (equal to 9.8% of revenues). In particular, in the third quarter of the year adjusted EBITDA amounted to 11,307 thousand euro (equal to 11.1% of the quarter's turnover).

The Group's **EBIT** at 30/09/2018 is 17,332 thousand euro (5.4% of revenues) and is up 300 thousand euro compared to 30/09/2017 (17,032 thousand euro, equal to 5.7% of revenues). This result was affected by the amortization of intangible assets for 8,402 thousand euro, of tangible fixed assets for 3,298 thousand euro and impairment of 309 thousand euro. With regard to the amortization of intangible assets, these mainly refer to amortization of development costs (6,392 thousand euro) and amortization relating to the trademark registered as part of the business combination of the FINN-POWER Group for 1,367 thousand euro.

EBIT at 30/09/2018 is influenced by non-recurring costs related to the impairment of a building; as a consequence, adjusted EBIT amounts to 19,574 thousand euro (6.1% of revenues), up 11.2% compared to 30/09/2017 (it was 17,599 thousand euro). In particular, in the third quarter the adjusted EBIT amounted to 7,153 thousand euro (equal to 7.0% on the quarterly turnover).

The **EBT** of the Group at 30/09/2018 is positive for 16,594 thousand euro and is up by 2,408 thousand euro compared to 30/09/2017. The EBT of the Group includes net expenses from financial management (including profits and losses on exchange rates) for 7,917 thousand euro (at 30/09/2017 they were equal to 4,787 thousand euro).

Financial expenses also include 1,885 thousand euro of costs due to the advanced closing of Bond and Club Deal loan for the debt refinancing, with the aim of extending the maturities by approximately 3 years and reducing the interest rate by around 2%.

The result of other equity investments is positive for 7,179 thousand euro and refers to the capital gain coming from the full sale of the investment in EPS SA.

The **NET RESULT** of the Group at 30/09/2018 is positive for 14,422 thousand euro (at 30/09/2017 it was 12,131 thousand euro); the portion of Net Result pertaining to the Parent Company amounted to 14,652 thousand euro.

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At 30/09/2018, the Group's **net financial position** shows a net debt of 94,797 thousand euro, compared to 103,122 thousand euro at 30/09/2017 and 69,632 thousand euro at 31/12/2017. The increase in indebtedness reflects the increase in working capital, due to higher volumes expected in the last quarter of the year, the investment in Lead Laser and the distribution of dividends.

Following is a detail of the net financial position:

<i>Values expressed in Euro thousand</i>	30/09/18	31/12/17	30/09/17
NON CURRENT FINANCIAL ASSETS	(3.495)	-	-
CASH & CASH EQUIVALENTS	(59.668)	(70.521)	(43.320)
CURRENT FINANCIAL ASSETS	(165)	(849)	(1.168)
CURRENT FINANCIAL LIABILITIES	38.980	42.525	45.957
NON CURRENT FINANCIAL LIABILITIES	119.145	98.477	101.653
NET INDEBTNESS	94.797	69.632	103.122

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During the first nine months of 2018 the consolidated **order acquisition** (including after-sale service) amounted to 339.5 million euro compared to 351.0 million euro at 30/09/2017.

The consolidated **order backlog** (not inclusive of the after-sale service) at 30/09/2018 amounts to 188.0 million euro (in line with 188.1 million euro at 30/09/2017).

Gianfranco Carbonato, Executive Chairman of Prima Industrie, commented: *"The Group for the full year expects to confirm the growth, with profitability at least in line with the previous year and a stable backlog compared to the closing of 2017. The financial situation, thanks also to the recent refinancing of medium-long term debt, remains solid and we expect to improve the net debt by the end of the year. The slowdown of some markets and the context of general uncertainty currently do not jeopardize the profitability targets for 2019, which are based on growth drivers that remain still valid and on the cost reduction actions undertaken"*.

"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 Financial Interim Report as at 30/09/2018 shall be filed and made available at the Company registered offices and on the internet site www.primaindustrie.com as well as on the authorized storage mechanism 1info, 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:

- Revenues at constant currency are determined by applying the prior year average exchange rates to current year's revenues expressed in local currency;
- 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");
- EBITDA, EBIT and EBT Adjusted correspond to the mentioned alternative performance indicators net of non-recurring items;
- Net Financial Indebtness, includes cash, financial receivables (current and non-current), net of (current and non-current) loans and borrowings and of the fair value of derivative The reconciliation with the net financial position required by the Consob communication no. DEM/6064293 of 28 July 2006 is reported in Notes to the consolidated financial statements.

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 about 13,000 machines installed in more than 80 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has about 1,800 employees and manufacturing sites in **Italy** (PRIMA INDUSTRIE S.p.A, PRIMA ELECTRO S.p.A), **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

<i>Values in thousand euro</i>	30/09/2018	31/12/2017
Property, plant and equipment	36.124	35.628
Intangible assets	147.134	149.603
Other investments	6.486	355
Non current financial assets	3.495	10
Deferred tax assets	12.727	11.340
NON CURRENT ASSETS	205.966	196.936
Inventories	147.708	113.035
Trade receivables	96.829	113.649
Other receivables	11.131	8.019
Current tax receivables	9.200	9.380
Derivatives	41	58
Financial assets	124	791
Cash and cash equivalents	59.668	70.521
CURRENT ASSETS	324.701	315.453
Assets held for sale	1.606	1.111
TOTAL ASSETS	532.273	513.500
Capital stock	26.208	26.208
Legal reserve	4.992	4.653
Other reserves	71.314	69.311
Currency translation reserve	2.442	1.360
Retained earnings	39.322	27.620
Net result	14.652	18.515
<i>Stockholders' equity of the Group</i>	158.930	147.668
<i>Minority interest</i>	1.034	1.286
STOCKHOLDERS' EQUITY	159.964	148.954
Interest-bearing loans and borrowings	118.665	98.396
Employee benefit liabilities	7.586	7.694
Deferred tax liabilities	5.759	5.997
Provisions	172	172
Derivatives	481	80
NON CURRENT LIABILITIES	132.663	112.339
Trade payables	101.399	110.465
Advance payments	47.807	43.620
Other payables	22.760	24.951
Interest-bearing loans and borrowings	38.671	42.525
Current tax payables	6.461	6.072
Provisions	22.239	24.574
Derivatives	309	-
CURRENT LIABILITIES	239.646	252.207
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	532.273	513.500

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	30/09/2018	30/09/2017(*)
Net revenues	318.304	300.306
Cost of goods sold	(240.498)	(225.596)
GROSS MARGIN	77.806	74.710
Research and Development costs	(18.479)	(16.636)
Sales and marketing expenses	(21.767)	(20.582)
General and administrative expenses	(20.228)	(20.460)
OPERATING PROFIT (EBIT)	17.332	17.032
Financial income	4.411	2.674
Financial expenses	(11.178)	(4.976)
Net exchange differences	(1.150)	(2.485)
Net result of other investments (**)	7.179	1.941
RESULT BEFORE TAXES (EBT)	16.594	14.186
Taxes	(2.172)	(2.055)
NET RESULT	14.422	12.131
- Attributable to Group shareholders	14.652	12.061
- Attributable to minority shareholders	(230)	70
RESULT PER SHARE - BASIC (in euro)	1,40	1,15
RESULT PER SHARE - DILUTED (in euro)	1,40	1,15
EBITDA	29.341	29.652

(*) For a better comprehension, the 2017 figures have been re-exposed.

(**) It must be outlined that this figure includes a financial gain deriving from EPS SA sale of share. In the Balance Sheet the EPS SA investment was classified in the Assets held for sale.

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Values in Euro thousand</i>	30/09/2018	30/09/2017 (*)
Net result	14.422	12.131
Adjustments (sub-total)	(26.704)	(17.010)
Depreciation, impairment & write-off	12.009	12.620
Gain from sales of shares in other investments (**)	(7.179)	(1.941)
Net change in deferred tax assets and liabilities	(1.625)	(2.711)
Change in employee benefits	(108)	(109)
Change in inventories	(34.673)	(30.028)
Change in trade receivables	16.820	(10.298)
Change in trade payables and advances	(4.879)	20.167
Net change in other receivables/payables and other assets/liabilities	(7.069)	(4.710)
Cash Flows from (used in) operating activities	(12.282)	(4.879)
Cash flow from investments		
Acquisition of tangible fixed assets (***)	(4.932)	(3.650)
Acquisition of intangible fixed assets	(923)	(425)
Capitalization of development costs	(4.724)	(5.276)
Net disposal of fixed assets	62	69
Investment in Lead Laser	(6.131)	
Capital increase/decrease in Other investments (****)	7.906	1.962
Cash Flows from (used in) investing activities	(8.742)	(7.320)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	(2.330)	(1.400)
Increases in loans and borrowings (including bank overdrafts)	108.316	14.100
Repayment of loans and borrowings (including bank overdrafts)	(91.147)	(12.463)
Repayments in financial lease liabilities	(1.265)	(330)
Dividends paid	(4.193)	(3.145)
Other variations	(41)	-
Cash Flows from (used in) financing activities	9.340	(3.238)
Cash Flows from (used in) change of minority shareholders	-	-
Foreign exchange translation differences	831	(3.923)
Net change in cash and equivalents	(10.853)	(19.360)
Cash and equivalents beginning of period	70.521	62.680
Cash and equivalents end of period	59.668	43.320

<i>Additional Information to the Consolidated Statement of Cash-Flow</i>	30/09/2018	30/09/2017 (*)
<i>Values in euro thousand</i>		
Taxes paid	1.984	3.997
Interests paid	4.617	3.804

(*) For a better comprehension, the 2017 figures have been re-exposed.

(**) The gain is relevant to EPS SA sale for share, this investment was classified in the Assets held for Sale.

(***) Not included financial lease.

(****) Included investments classified in the Assets held for sale.