



BORSA ITALIANA - STAR segment

PRESS RELEASE

INTERIM FINANCIAL REPORT AT 30/09/2022

(in brackets results at 30/09/2021)

**SALE AND PROFITABILITY CONTINUING GROWTH TREND
EXCELLENT ORDER BACKLOG (285.2 M€, +52%)**

**3RD QUARTER 2022 IS THE BEST EVER
FOR SALES AND ORDER ACQUISITION**

- Consolidated REVENUES at 327.1 M€ (+16.2% versus 281.4 M€);
- EBITDA at 27.3 M€, equal to 8,4% of revenues (versus 20.9 M€, equal to 7,4%);
- Adj. EBITDA at 28.6 M€, equal to 8.7% of revenues (versus 24.0 M€, equal to 8.5%);
- EBIT at 13.6 M€, equal to 4.2% of revenues (versus 6.2 M€, equal to 2.2%);
- Adj. EBIT to 14.8 M€, equal to 4.5% of revenues (versus 9.7 M€, equal to 3.4%);
- NET RESULT at 7.6 M€ (versus 1.6 M€);
- NET FINANCIAL DEBT at 80.5 M€ (versus 102.2 M€ at 30/09/2021), including 41.4 M€ of leasing payables (versus 45.0 M€);
- ORDER ACQUISITION at 393.9 M€ (+14.1% versus 345.3 M€);
- ORDER BACKLOG at 285.2 M€ (+51,8% versus 187.9 M€ at 30/09/2021).

Collegno (TO), November 11, 2022 - The Board of Directors of Prima Industrie S.p.A., a leading company operating in the high-tech sector of laser systems and sheet metal processing and electronics components for industrial applications, met today to approve the Interim Financial Report at 30/09/2022.

The Company Executive Chairman, Gianfranco Carbonato commented as follows: *“The performance of the first nine months of the year confirmed a positive trend within the Group main reference markets; in particular, the third quarter of 2022 was the highest ever both in terms of turnover and order acquisition. To date, we therefore confirm the positive trend also for the last part of the year, both in terms of revenues and profitability.*

The excellent order backlog (which grew to around 303 million euro as of 31/10/22) also allows us to face the year 2023 with confidence, although at a macroeconomic and political level a strong instability remains related to energy costs and procurement as well as to the Russia-Ukraine conflict”

The Group turnover as of 30/09/2022 is equal to 327,130 thousand euro, growing by 16.2% compared to 2021.

The consolidated revenues at 30/09/2022 are shown here below, broken down on a geographical basis, compared with same period of the previous year:

REVENUES	30/09/22		30/09/21	
	Euro thousand	%	Euro thousand	%
SEMEA (*)	122.063	37,3	99.393	35,3
NORTH EUROPE	71.665	21,9	63.245	22,5
AMERICAS	86.881	26,6	70.958	25,2
APAC	46.521	14,2	47.818	17,0
TOTAL	327.130	100,0	281.414	100,0

The above table shows that the Group turnover as of 30/09/2022 (compared with the corresponding period of the previous year) increased in the SEMEA area (+22.8%), in NORTH EUROPE (+13, 3%) and in AMERICAS (+22.4%) but slightly decreased in APAC area (-2.7%).

The main countries of destination in the SEMEA area were Italy (19.5% of consolidated revenues), Poland and Eastern Europe (6.1% of consolidated revenues) and Spain and Portugal (3.8% of consolidated revenues).

The main countries of destination in the NORTH EUROPE area were Finland and the Baltic countries (7.0% of consolidated revenues), DACH countries (5.0% of consolidated revenues) and Benelux (4.6% of consolidated revenues).

The share of revenues realized in the AMERICAS went from 70,958 thousand euro to 86,881 thousand euro, of which 70,084 thousand euro in the United States. With reference to this area, in addition to the increase in revenues, there is also a marked growth in the acquisition of new orders.

In the APAC area, revenues decreased by 2.7% compared to 2021, going from 47,818 thousand euro to 46,521 thousand euro. In particular, the Group kept its position on to the Chinese market thanks to the good trend in revenues from machinery destined to the automotive sector (mainly electric cars), despite the sharp decline in the sheet metal reference market, linked to the crisis in the construction market and the economic slowdown of the country as a whole.

The main indicators of the Group, compared with the corresponding period of the previous year, are shown here below:

Values in Euro thousand

30/09/22	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	301.997	67.637	22,4%	24.993	8,3%	14.258	4,7%	9.760
PRIMA ELECTRO	40.146	4.947	12,3%	2.010	5,0%	(1.002)	-2,5%	(605)
CONSOLIDATION	(15.013)	(18)	-	323	-	324	-	(1.594)
GROUP	327.130	72.566	22,2%	27.326	8,4%	13.580	4,2%	7.561

(% calculated over the revenues)

Values in Euro thousand

30/09/21	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	261.399	55.415	21,2%	19.568	7,5%	7.531	2,9%	2.534
PRIMA ELECTRO	36.316	4.872	13,4%	1.705	4,7%	(944)	-2,6%	(647)
CONSOLIDATION	(16.301)	(388)	-	(382)	-	(382)	-	(266)
GROUP	281.414	59.899	21,3%	20.891	7,4%	6.205	2,2%	1.621

(% calculated over the revenues)

The above tables show Prima Power data including those relevant to the Prima Additive BU and and Prima Electro data including those relevant to Convergent Photonis BU.

The Group **EBITDA** at 30/09/2022 was 27,326 thousand euro, equal to 8.4% of revenues against 20,891 thousand euros equal to 7.4% of revenues as of 30/09/2021, despite the strong impact of the increase in costs of materials and components.

EBITDA was negatively affected by non-recurring costs equal to 1,258 thousand euro (at 30/09/2021 they were equal to 3,150 thousand euro); as a consequence the adjusted EBITDA is equal to 28,584 thousand euro (equal to 8.7% of revenues). In particular, in the third quarter of the year, adjusted EBITDA was equal to 11,012 thousand euro (equal to approximately 9.7% of the quarter turnover).

The Group **EBIT** as of 30/09/2022 was positive for 13,580 thousand euro, equal to 4.2% of revenues against 6,205 thousand euro, equal to 2.2% of the previous year.

Furthermore, this result is affected by:

- amortization of intangible fixed assets for 5,431 thousand euro (relating to development costs for 3,440 thousand euro and the trademark registered as part of the business combination of the FINN-POWER Group for 1,454 thousand euro).
- depreciation of tangible fixed assets for 8,316 thousand euro.

EBIT at 30/09/2022 is penalized by non-recurring costs equal to 1,258 thousand euro; consequently, the adjusted EBIT is equal to 14,838 thousand euro (4.5% of revenues). In particular, in the third quarter of the year, adjusted EBIT was equal to 6,361 thousand euro (equal to approximately 5.6% of the quarter turnover).

The **EBT** of the Group at 30/09/2022 is positive for 10,618 thousand euro compared to 3,024 thousand euro at 30/09/2021.

The Group EBT discounts net charges deriving from financial management (including profits and losses on exchange rates) for 5,473 thousand euro (as of 30/09/2021 they were equal to 3,121 thousand euro).

It also includes income from equity investments, equal to 2,541 thousand euro, referring for 1,993 thousand euro to the revaluation at fair value of the pre-existing investment of 19.9% held in 3D-NT Srl (now Prima Additive srl) pursuant to paragraph 42 of IFRS3 "Business combinations" and for 548 thousand euro to the capital gain deriving from the sale of the investment in OSAlcnc Srl held by PRIMA ELECTRO SpA.

The Group **NET RESULT** at 30/09/2022 is positive for 7,561 thousand euro compared to 1,621 thousand euro at 30/09/2021; the Net Result, pertinent to the Parent Company, is positive for 7,802 thousand euro.

In details, the net result of third quarter is positive for 3,721 thousand euro.

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As at 30/09/2022 the **Group Net Financial Debt** is equal to 80,548 thousand euro, showing an increase if compared to 31/12/2021 (equal to 68,421 thousand euro) but a reduction if compared to 30/09/2021 (equal to 102,191 thousand euro).

The increase compared to 31/12/2021 is mainly attributable to an increase in working capital linked to the high order backlog as well as to the increase in procurement levels of some components, as well as to the payment of approximately 4 million of dividends.

Below is a breakdown of the Group Net Debt:

<i>Values expressed in Euro thousand</i>	30/09/22	31/12/21	30/09/21
NON CURRENT FINANCIAL ASSETS	(6.880)	(4.233)	(4.233)
CASH & CASH EQUIVALENTS	(61.497)	(67.267)	(54.111)
CURRENT FINANCIAL ASSETS	(151)	(372)	(453)
CURRENT FINANCIAL LIABILITIES	41.232	39.886	52.394
NON CURRENT FINANCIAL LIABILITIES	66.447	57.575	63.563
NET FINANCIAL DEBT (before leasing)	39.151	25.589	57.160
LEASING LIABILITIES	41.397	42.832	45.031
NET FINANCIAL DEBT	80.548	68.421	102.191

* * * * *

During the first nine months of 2022, the Group **order acquisition** (including the after-sale service) amounted to 393.9 million euro, up 14.1% compared to 345.3 million euro at 30/09/2021 and 78.7% compared to 30/09/2020.

The consolidated **order backlog** (not including the after-sale service) as of 30/09/2022 amounts to 285.2 million euro, up from 187.9 million euro as at 30/09/2021.

The backlog further increased to 302.7 million euro as of 31/10/2022.

“The manager responsible for preparing the company financial reports, Marco Pintauro, declares, pursuant to para. 2 article 154 bis of TUF (Consolidated Finance Law), that the accounting information contained in this press release corresponds to the document results, books and accounting records”.

The draft of company financial statements at September 30, 2022 will be deposited at the registered office and will also be available under the Company website www.primaindustria.com, as well as on the authorized storage mechanism www.1info.it within the legal terms.

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 Result Adjusted is calculated as Net Result adjusted of the non-recurring items incorporated in EBT Adjusted;
- Net Financial Indebtness, which includes cash, financial receivables (current and non-current), net of financial loans (current and non-current) and of the fair value of derivatives. The reconciliation with the financial debt required by ESMA document 32-382-1138 of 04/03/2021 is reported into the Explanatory Notes of the Consolidated Report.

PRIMA INDUSTRIE heads a Group leader worldwide in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery as well as industrial electronics, laser sources and solution for additive manufacturing.

The parent company Prima Industrie S.p.A. is listed on the Italian Stock Exchange since 1999 (MTA- STAR segment).

With over 40 years of experience, the Group has an installed base of about 14,000 machines in more than 80 countries and is positioned among the main worldwide manufacturers within its own reference market.

The Group has about 1,700 employees, manufacturing sites in **Italy, Finland, USA and China** and a direct commercial and after-sale presence worldwide.

Prima Industrie Group is structured on four *Business Units*:

Prima Power - development, production and marketing of laser and sheet metal processing (2D and 3D laser machines, laser drilling systems, punching and combined systems, bending and paneling systems);

Prima Electro - development, production and marketing of embedded electronics for industrial applications;

Convergent Photonics - development and production of diodes and laser sources, both industrial and medical;

Prima Additive - development, production and marketing of additive manufacturing solutions with Powder Bed Fusion and Laser Metal Deposition technologies.

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CONSOLIDATED BALANCE SHEET

Values in thousand euro	30/09/2022	31/12/2021
Property, plant and equipment	70.323	71.854
Intangible assets	120.069	116.624
Investments accounted for using the equity method	-	394
Other investments	7.179	6.927
Non current financial assets	5.124	4.233
Derivatives	1.756	-
Deferred tax assets	19.349	18.823
NON CURRENT ASSETS	223.800	218.855
Inventories	189.467	134.859
Trade receivables	84.644	91.164
Other receivables	11.038	6.972
Current tax receivables	13.535	9.286
Financial assets	151	372
Cash and cash equivalents	61.497	67.267
CURRENT ASSETS	360.332	309.920
Assets held for sale	-	4.775
TOTAL ASSETS	584.132	533.550
Capital stock	26.208	26.208
Legal reserve	5.242	5.242
Other reserves	66.092	68.161
Currency translation reserve	15.135	4.274
Retained earnings	70.375	60.623
Net result	7.802	7.798
Stockholders' equity of the Group	190.854	172.306
Minority interest	5.503	3.412
STOCKHOLDERS' EQUITY	196.357	175.718
Interest-bearing loans and borrowings	101.365	94.259
Employee benefit liabilities	6.650	6.728
Deferred tax liabilities	3.686	4.678
Provisions	244	244
Derivatives	-	140
NON CURRENT LIABILITIES	111.945	106.049
Trade payables	111.413	98.239
Advance payments	57.202	52.450
Other payables	22.378	24.226
Interest-bearing loans and borrowings	47.603	45.849
Current tax payables	9.904	8.712
Provisions	27.222	22.262
Derivatives	108	45
CURRENT LIABILITIES	275.830	251.783
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	584.132	533.550

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	30/09/2022	30/09/2021
Net revenues	327.130	281.414
Cost of goods sold	(254.564)	(221.515)
GROSS MARGIN	72.566	59.899
Research and Development costs	(16.643)	(16.871)
Sales and marketing expenses	(21.907)	(18.994)
General and administrative expenses	(20.436)	(17.829)
OPERATING PROFIT (EBIT)	13.580	6.205
Financial income	3.053	8.794
Financial expenses	(7.842)	(12.700)
Net exchange differences	(684)	785
Net result of investments accounted for using the equity method	(30)	(60)
Gain from investments	2.541	-
RESULT BEFORE TAXES (EBT)	10.618	3.024
Taxes	(3.057)	(1.403)
NET RESULT	7.561	1.621
- <i>Attributable to Group shareholders</i>	7.802	1.494
- <i>Attributable to minority shareholders</i>	(241)	127
RESULT PER SHARE - BASIC (in euro)	0,76	0,14
RESULT PER SHARE - DILUTED (in euro)	0,74	0,14
EBITDA	27.326	20.891

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Values in Euro thousand</i>	30/09/2022	30/09/2021
Net result	7.561	1.621
Adjustments (sub-total)	(22.597)	9.938
Depreciation, impairment & write-off	13.747	14.685
Stock Grants reserve	912	-
Net change in deferred tax assets and liabilities	(1.518)	(1.036)
Change in employee benefits	(159)	(129)
Change in inventories	(54.181)	(20.385)
Change in trade receivables	6.780	(4.074)
Change in trade payables and advances	17.474	15.656
Net change in other receivables/payables and other assets/liabilities	(3.689)	5.161
Net result of investments accounted for using the equity method	30	60
Gain from investments	(1.993)	-
Cash Flows from (used in) operating activities	(15.036)	11.559
Cash flow from investments		
Acquisition of tangible fixed assets (*)	(2.789)	(3.215)
Acquisition of intangible fixed assets	(1.396)	(594)
Capitalization of development costs	(1.326)	(1.785)
Net disposal of fixed assets (**)	4.967	222
Acquisition subsidiary 3D-NT srl	636	-
Cash Flows from (used in) investing activities	92	(5.372)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	(205)	50
Increases in loans and borrowings (including bank overdrafts and Credit lines)	36.466	2.740
Repayment of loans and borrowings (including bank overdrafts and Credit lines)	(27.294)	(14.887)
Repayments in financial lease liabilities	(5.002)	(4.981)
Dividends paid	(4.124)	-
Treasury stock reserve	(291)	(1.076)
Cash Flows from (used in) financing activities	(450)	(18.154)
Foreign exchange translation differences	9.624	3.079
Net change in cash and equivalents	(5.770)	(8.888)
Cash and equivalents beginning of period	67.267	62.999
Cash and equivalents end of period	61.497	54.111
Additional Information to the Consolidated Statement of Cash-Flow	30/09/2022	30/09/2021
<i>Values in euro thousand</i>		
Taxes paid	1.599	561
Interests paid	1.653	1.807

(*) Not included leases

(**) Included assets held for sale