



BORSA ITALIANA - STAR segment

PRESS RELEASE

INTERIM FINANCIAL REPORT AS OF 31/03/2021

(results as of 31/03/2020 in brackets)

THE SIGNIFICANT RECOVERY OF THE ORDER ACQUISITION IN THE RECENT MONTHS

(+62,3% for the period January-April 2021 vs. 2020)

STRENGTHENS THE GROUP'S GROWTH EXPECTATIONS

- **CONSOLIDATED SALES** at 82.3 M€ (+9.7% vs. 75.1 M€);
- **EBITDA** at 4.3 M€, equal to 5.3% on sales (vs. 3.1 M€, equal to 4,1%); adjusted EBITDA at 5.7 M€, equal to 6.9% on sales;
- **EBIT** at -0.5 M€ (vs. -2.5 M€); positive adjusted EBIT at 0.8 M€;
- **NET FINANCIAL INDEBTEDNESS** at 99.4 M€ (including 35.8 M€ of debts relating to leases), in reduction vs. 133.5 M€ at 31/03/2020 and substantially stable vs. 96.3 M€ at 31/12/2020;
- **ORDER BACKLOG** at 147.9 M€ (vs. 141.3 M€ at 31/03/2020 and 124.7 M€ at 31/12/2020), further increased to 163,4 M€ at 30/04/2021.

Collegno (TO), May 11, 2021 - 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 electronic components for industrial applications, met today to approve the Interim Report as at 31/03/2021.

At the end of the meeting the Executive Chairman, Gianfranco Carbonato, commented: "*After a year 2020 marked by the crisis connected with the Covid-19 pandemic, following a period in which a slowdown in the sector had already occurred, the Group reference markets are offering important signs of recovery. As intrinsic for capital goods, the recovery in turnover is not as rapid as the recovery in orders but the important backlog at the end of the first quarter (further increased at the end of April) allows us to confirm the expectations for a significant recovery of both turnover and profitability along the year*".

The Group turnover as of 31/03/2021 is equal to 82,300 thousand euro, an increase of 9.7% compared to 2020. It could have been slightly higher if not penalized by difficulties in shipments by sea (blank sailing) and in particular from the block of the Suez Canal which delayed the delivery of some machines to the APAC area.

The consolidated revenues are shown here below, split down on a geographic basis, as of 31/03/2021 compared with the corresponding period of the previous year:

Revenues	31/03/21		31/03/20	
	Euro thousand	%	Euro thousand	%
SEMEA (*)	26.154	31,8	21.034	28,0
NORTH EUROPE	17.461	21,2	23.601	31,4
AMERICAS	24.657	30,0	24.269	32,3
APAC	14.028	17,0	6.147	8,3
TOTAL	82.300	100,0	75.051	100,0

(*) South Europe, Middle East & Africa

The above table shows that the Group turnover as of 31/03/2021 (compared with the corresponding period of the previous year) had a significant recovery in the SEMEA area (+24.3%) and the APAC area(+128.2%). The trend is stable in the AMERICAS (+1.6%), which is the area which was less affected by the crisis linked to Covid-19 in 2020, while at constant exchange rates the increase would have been by 10.7%.

The turnover was instead down in the NORTH EUROPE area (-26.0%) which, on the contrary, in the first quarter of last year had not been hit by the pandemic yet.

The main destination countries in the SEMEA area were Italy (17.7% of consolidated revenues), Spain and Portugal (4.7% of consolidated revenues), Poland and Eastern Europe (5.1% of consolidated revenues).

The main countries of destination in the NORTH EUROPE area were Finland and the Baltic countries (7.2% of consolidated revenues), the DACH countries (5.5% of consolidated revenues), and Benelux (4.7% of consolidated revenues).

The share of revenues realized in the AMERICAS went from 24,269 thousand euro to 24,657 thousand euro, of which 20,260 thousand euro were generated by the United States.

In the APAC area, revenues grew by 128.2% compared to 2020, passing from 6,147 thousand euro to 14,028 thousand euro. The increase is attributable to revenues in China, which grew from 3,867 thousand euro (at 31/03/2020) to 9,179 thousand euro (at 31/03/2021) and in South Korea, where revenues grew from 753 thousands of euro to 2,500 thousand euro.

Below are the Group main economic indicators split by Division, compared with the corresponding period of the previous year.

Values in Euro thousand

31/03/21	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	75.927	16.477	21,7%	4.290	5,7%	244	0,3%	(902)
PRIMA ELECTRO	11.827	1.269	10,7%	62	0,5%	(786)	-6,6%	(643)
ELIMINATIONS	(5.454)	(36)	-0,7%	(6)	-0,1%	(5)	-0,1%	(3)
GROUP	82.300	17.710	21,5%	4.346	5,3%	(547)	-0,7%	(1.548)

(% calculated over the revenues)

Values in Euro thousand

31/03/20	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	69.356	14.646	21,1%	3.187	4,6%	(1.238)	-1,8%	(2.539)
PRIMA ELECTRO	11.668	1.340	11,5%	57	0,5%	(1.162)	-10,0%	(879)
ELIMINATIONS	(5.973)	(150)	-2,5%	(144)	-2,4%	(144)	-2,4%	(106)
GROUP	75.051	15.836	21,1%	3.100	4,1%	(2.544)	-3,4%	(3.524)

(% calculated over the revenues)

As from April 1, 2021 the Group is structured on a new organization split in four Business Units: Prima Power, Prima Electro, Convergent Photonics and Prima Additive, In the above table, the data shown for Prima Power also include those relating to the Prima Additive BU and for Prima Electro also those relating to the Convergent Photonics BU.

The Group **EBITDA** as of 31/03/2021 is at 4,346 thousand euro, equal to 5.3% of revenues against 3,100 thousand euro, equal to 4.1% of revenues as of 31/03/2020.

EBITDA was negatively affected by non-recurring costs of 1,316 thousand euro (at 31/03/2020 they were equal to 683 thousand euro); therefore the adjusted EBITDA is at 5,662 thousand euro (equal to 6.9% of revenues).

The Group **EBIT** as of 31/03/2021 was negative for 547 thousand euro, equal to -0.7% of revenues against the negative 2,544 thousand euro equal to -3.4% of previous year's revenues.

Consolidated EBIT is affected by:

- amortization of intangible fixed assets for 2,082 thousand euro (relating to development costs for 1,419 thousand euro and to the brand registered as part of the business combination of FINN-POWER Group for 477 thousand euro) and other write-downs for 61 thousand euro;
- depreciation on tangible fixed assets for 2,750 thousand euro.

EBIT at 31/03/2021 is penalized by non-recurring costs equal to 1,377 thousand euro; consequently, adjusted EBIT is positive for 830 thousand euro (1.0% of revenues).

The Group **EBT** at 31/03/2021 is negative for 1,568 thousand euro against the negative 4,116 thousand euro at 31/03/2020.

The Group EBT discounts net charges deriving from financial management (including profits and losses on exchange rates) for 981 thousand euro (at 31/03/2020 they were equal to 1,540 thousand euro).

The Group **NET RESULT** at 31/03/2021 is negative for 1,548 thousand euro vs. the negative 3,524 thousand euro at 31/03/2020; the Net Result attributable to the parent company is negative for 1,595 thousand euro.

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At 31/03/2021 the Group **Net Financial Debt** is equal to 99,410 thousand euro, showing a marked improvement compared to 133,452 thousand euro at 31/03/2020 and substantially stable compared to 96,274 thousand euro at 31/12/2020.

In addition to the cash amounting to approximately 58 million euro, the Group has also available unused credit lines for more than 48 million euro as of 31/03/2021.

Below is a breakdown of the Group net debt:

<i>Values expressed in Euro thousand</i>	31/03/21	31/12/20	31/03/20
NON CURRENT FINANCIAL ASSETS	(4.233)	(4.233)	(4.243)
CASH & CASH EQUIVALENTS	(58.350)	(62.999)	(32.161)
CURRENT FINANCIAL ASSETS	(328)	(423)	(473)
CURRENT FINANCIAL LIABILITIES	51.188	52.861	43.367
NON CURRENT FINANCIAL LIABILITIES	75.331	75.336	85.496
NET FINANCIAL DEBT (before leasing)	63.608	60.542	91.986
LEASING LIABILITIES	35.802	35.732	41.466
NET FINANCIAL DEBT	99.410	96.274	133.452

* * * * *

During the first quarter of 2021, the Group **order acquisition** (including after-sale service) amounted to 104.6 million euro, with an increase of 43.7% compared to 72.8 million euro at 31/03/2020. Taking in consideration also the month of April, the increase in order acquisition has been by 62.3% (compared to the period January-April 2020).

The consolidated **backlog** (not including the after-sale service) as at 31/03/2021 amounts to 147.9 million euro, increasing in respect to 141.3 million euro at 31/03/2020 and also compared to 124.7 million euro at 31/12/2020.

At 30/04/2021 the backlog has further increased to 163.4 million euro.

“The manager responsible ad interim for preparing the company financial reports, Davide Peiretti, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Law, that the accounting information contained in this press release corresponds to documentary findings, books and accounting records”.

The Interim Financial Report as at 31/03/2021 will be made available at the company registered office and available for consultation on the website www.primaindustrie.com as well as on the authorized storage mechanism www.1info.it, within the terms of Law.

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

<i>Values in thousand euro</i>	31/03/2021	31/12/2020
Property, plant and equipment	64.619	64.281
Intangible assets	119.782	120.837
Investments accounted for using the equity method	354	394
Other investments	6.497	6.226
Non current financial assets	4.233	4.233
Deferred tax assets	18.725	17.656
NON CURRENT ASSETS	214.210	213.627
Inventories	132.113	118.689
Trade receivables	80.949	77.624
Other receivables	9.044	8.732
Current tax receivables	5.790	5.013
Derivatives	6	365
Financial assets	321	58
Cash and cash equivalents	58.350	62.999
CURRENT ASSETS	286.573	273.480
Assets held for sale	5.255	5.255
TOTAL ASSETS	506.038	492.362
Capital stock	26.208	26.208
Legal reserve	5.213	5.213
Other reserves	66.526	66.461
Currency translation reserve	1.587	(1.225)
Retained earnings	62.963	70.164
Net result	(1.595)	(7.201)
Stockholders' equity of the Group	160.902	159.620
Minority interest	3.019	2.844
STOCKHOLDERS' EQUITY	163.921	162.464
Interest-bearing loans and borrowings	104.992	105.318
Employee benefit liabilities	7.063	7.104
Deferred tax liabilities	4.749	4.759
Provisions	235	238
Derivatives	384	419
NON CURRENT LIABILITIES	117.423	117.838
Trade payables	74.520	69.390
Advance payments	45.943	40.019
Other payables	21.637	19.244
Interest-bearing loans and borrowings	56.885	58.192
Current tax payables	5.529	5.704
Provisions	20.121	19.511
Derivatives	59	-
CURRENT LIABILITIES	224.694	212.060
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	506.038	492.362

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	31/03/2021	31/03/2020 (*)
Net revenues	82.300	75.051
Cost of goods sold	(64.590)	(59.215)
GROSS MARGIN	17.710	15.836
Research and Development costs	(5.606)	(5.519)
Sales and marketing expenses	(6.178)	(6.601)
General and administrative expenses	(6.473)	(6.260)
OPERATING PROFIT (EBIT)	(547)	(2.544)
Financial income	70	97
Financial expenses	(1.665)	(1.462)
Net exchange differences	614	(175)
Net result of investments accounted for using the equity method	(40)	(32)
RESULT BEFORE TAXES (EBT)	(1.568)	(4.116)
Taxes	20	592
NET RESULT	(1.548)	(3.524)
- <i>Attributable to Group shareholders</i>	<i>(1.595)</i>	<i>(3.293)</i>
- <i>Attributable to minority shareholders</i>	<i>47</i>	<i>(231)</i>
RESULT PER SHARE - BASIC (in euro)	(0,15)	(0,31)
RESULT PER SHARE - DILUTED (in euro)	(0,15)	(0,31)
EBITDA	4.346	3.100

(*) For a better comprehension, the 2020 figures have been re-exposed.

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Values in Euro thousand</i>	31/03/2021	31/03/2020 (*)
Net result	(1.548)	(3.524)
Adjustments (sub-total)	(173)	(15.855)
Depreciation, impairment & write-off	4.893	5.645
Net change in deferred tax assets and liabilities	(1.079)	(1.117)
Change in employee benefits	(41)	(13)
Change in inventories	(13.424)	(14.734)
Change in trade receivables	(3.325)	3.735
Change in trade payables and advances	11.054	(4.592)
Net change in other receivables/payables and other assets/liabilities	1.709	(4.811)
Net result of investments accounted for using the equity method	40	32
Cash Flows from (used in) operating activities	(1.721)	(19.379)
Cash flow from investments		
Acquisition of tangible fixed assets (**)	(1.094)	(1.900)
Acquisition of intangible fixed assets	(148)	(113)
Capitalization of development costs	(707)	(1.190)
Cash Flows from (used in) investing activities	(1.949)	(3.203)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	184	141
Increases in loans and borrowings (including bank overdrafts and Credit lines)	2.012	6.498
Repayment of loans and borrowings (including bank overdrafts and Credit lines)	(3.711)	(6.170)
Repayments in financial lease liabilities	(1.717)	(1.406)
Cash Flows from (used in) financing activities	(3.232)	(937)
Cash Flows from (used in) change of minority shareholders	-	-
Foreign exchange translation differences	2.253	544
Net change in cash and equivalents	(4.649)	(22.975)
Cash and equivalents beginning of period	62.999	55.136
Cash and equivalents end of period	58.350	32.161

Additional Information to the Consolidated Statement of Cash-Flow	31/03/2021	31/03/2020 (*)
<i>Values in euro thousand</i>		
Taxes paid	231	461
Interests paid	542	626

(*) For a better comprehension, the 2020 figures have been re-exposed

(**) Not included leases