

**INTERIM REPORT AS AT MARCH 31<sup>st</sup> 2019**  
 (in brackets results as at 31/03/2018)

- Consolidated REVENUES at 98.4 M€ (+ 3.0% against 95.5 M€);
- EBITDA at 7.4 M€ (+17.5% against 6.3 M€);
- EBIT at 2.1 M€ (-4.5% against 2.2 M€);
- NET PROFIT at 0.4 M€, including non-recurring net charges for 0.7M€ (against 4.7 M€, which included net non-recurring profit for 4.3 M€)
- NET FINANCIAL INDEBTNESS at -117.6 M€ (against -84.7 M€ at 31/03/2018 and -74.6 M€ at 31/12/2018), affected by the application of IFRS 16 for -26.9 M€;
- ORDERS' BACKLOG at 166.8 M€ (compared to 169.4 M€ at 31/12/2018 and 192.5 M€ at 31/03/2018).

Collegno (TO), May 14<sup>th</sup> 2019 - 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 31/03/2019.

The Group ended the first quarter of 2019 reaching consolidated revenues of 98,444 thousand euro, increasing about 3.0% against the same period of the previous year.

Following is the consolidated revenues geographical breakdown at 31/03/2019 compared with same period of the previous year:

Revenues	31/03/19		31/03/18	
	<i>Euro thousand</i>	<i>%</i>	<i>Euro thousand</i>	<i>%</i>
EMEA	62.684	63,7	58.467	61,2
AMERICAS	22.302	22,7	22.368	23,4
APAC	13.458	13,6	14.699	15,4
<b>TOTAL</b>	<b>98.444</b>	<b>100,0</b>	<b>95.534</b>	<b>100,0</b>

The Group's turnover for the first quarter of 2019 (compared with the first quarter of 2018) grew significantly in the EMEA area (+ 7.2%), remains substantially stable in the AMERICAS and recorded a decrease in APAC (-8.4%).

The Group generated consolidated revenues in the EMEA area for 62,684 thousand euro; the most relevant destination countries have been Italy (16.4% of consolidated revenues, decreasing against 31/03/2018), Russia and Eastern Europe (9.8% of consolidated revenues), Germany (9.8% of consolidated revenues), Spain (6.9% of consolidated revenues) and the countries of Northern Europe (6.3% of consolidated revenues).

The share of revenues generated by AMERICAS remained substantially stable compared to 2018.

As for APAC Countries this result reflects a growth on the Chinese market (11.8% of consolidated turnover) and a reduction on other markets, among which is South Korea.

Below is a breakdown of revenues by segment gross of inter-sector transactions:

Revenues	31/03/19		31/03/18	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	90.457	91,9	86.539	90,6
PRIMA ELECTRO	13.796	14,0	15.978	16,7
Inter-sector revenues	(5.809)	(5,9)	(6.983)	(7,3)
<b>TOTAL</b>	<b>98.444</b>	<b>100,0</b>	<b>95.534</b>	<b>100,0</b>

\* \* \* \* \*

Below are the main economic indicators of the Group as at 31/03/2019 divided by Division, compared with the same period of the previous year:

*Values in euro thousand*

31/03/19	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	90.457	20.233	22,4%	6.149	6,8%	2.099	2,3%	616
PRIMA ELECTRO	13.796	2.683	19,4%	1.000	7,2%	(285)	-2,1%	(398)
ELIMINATIONS	(5.809)	133	2,3%	237	4,1%	237	4,1%	190
<b>GROUP</b>	<b>98.444</b>	<b>23.049</b>	<b>23,4%</b>	<b>7.386</b>	<b>7,5%</b>	<b>2.051</b>	<b>2,1%</b>	<b>408</b>

*( % calculated over the revenues )*

*Values in euro thousand*

31/03/18	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	86.539	19.130	22,1%	5.316	6,1%	2.035	2,4%	(2.483)
PRIMA ELECTRO	15.978	3.815	23,9%	1.135	7,1%	330	2,1%	7.232
ELIMINATIONS	(6.983)	(117)	-1,7%	(122)	-1,7%	(122)	-1,7%	(90)
<b>GROUP</b>	<b>95.534</b>	<b>22.828</b>	<b>23,9%</b>	<b>6.329</b>	<b>6,6%</b>	<b>2.243</b>	<b>2,3%</b>	<b>4.659</b>

*( % calculated over the revenues )*

\* \* \* \* \*

The table below shows the impact of the first adoption of IFRS 16 and non-recurring items on the main Group's performance indicators:

Values in €/thousand	31.03.19	31.03.18	Δ '19 vs '18
<b>Revenues</b>	<b>98,444</b>	<b>95,534</b>	<b>2,910</b>
<b>EBITDA</b>	<b>7,386</b>	<b>6,329</b>	<b>1,057</b>
Non-Recurring Items	(616)	(583)	
IFRS 16	1,314	-	
<b>EBITDA Normalized</b>	<b>6,688</b>	<b>6,912</b>	<b>(224)</b>
<b>EBITDA Normalized %</b>	<b>6,8%</b>	<b>7,2%</b>	<b>-0,4%</b>
<b>EBIT</b>	<b>2,051</b>	<b>2,243</b>	<b>(192)</b>
Non-Recurring Items	(616)	(892)	
IFRS 16	47	-	
<b>EBIT Normalized</b>	<b>2,620</b>	<b>3,135</b>	<b>(515)</b>
<b>EBIT Normalized %</b>	<b>2,7%</b>	<b>3,3%</b>	<b>-0,6%</b>
<b>Net Result</b>	<b>408</b>	<b>4,659</b>	<b>(4,251)</b>
Non-Recurring Items	(734)	4,284	
IFRS 16	(134)	-	
<b>Net Result Normalized</b>	<b>1,276</b>	<b>375</b>	<b>901</b>
<b>Net Financial Indebtness</b>	<b>(117,632)</b>	<b>(84,659)</b>	<b>(32,973)</b>
IFRS 16	(26,854)	-	
<b>Net Financial Indebtness Normalized</b>	<b>(90,778)</b>	<b>(84,659)</b>	<b>(6,119)</b>

( % calculated over the revenues)

The **Gross Margin** of the Group at 31/03/2019 is equal to 23,049 thousand euro (against 22,828 thousand euro in the same period of 2018); the weight of the margin on turnover is 23.4% slightly decreasing versus 31/03/2018.

The **EBITDA** of the Group at 31/03/2019 amounts to 7,386 thousand euro equal to 7.5% of revenues (6,072 thousand euro excluding the effects deriving from the application of IFRS 16) against euro 6,329 thousand equal to 6.6% of revenues of 31/03/2018.

The EBITDA has been affected by non-recurring costs amounting equal to 616 thousand euro (as of 31/03/2018 these costs were equal to 583 thousand euro); therefore the **adjusted EBITDA** amounts to 8,002 thousand euro (equal to 8.1% of revenues), increasing of 1,090 thousand euro compared to the same period of the previous year (6,912 thousand euro equal to 7.2%).

The **EBIT** of the Group at 31/03/2019 is equal to 2,051 thousand euro equal to 2.1% of revenues (2,004 thousand euro excluding the effects deriving from the application of IFRS 16) compared to 2,243 thousand euro equal to 2.3% of revenues of the same period of the previous year. This result is affected by the amortization of intangible assets for 2,843 thousand euro and of tangible fixed assets for 2,492 thousand euro (of which 1,267 thousand euro relating to rights of use recorded according to the new IFRS 16). With regard to the amortization of intangible assets, these mainly refer to amortization of development costs (2,155 thousand euro) and amortization relating to the trademark registered as part of the business combination of the FINN-POWER Group, equal to 462 thousand euro.

EBIT at 31/03/2019 is affected by non-recurring costs; as a consequence, **adjusted EBIT** amounted to 2,667 thousand euro (2.7% of revenues), decreasing compared to 31/03/2018 (3,135 thousand euro, equal to 3.3% of revenues).

The **EBT** of the Group at 03/31/2019 is positive for 867 thousand euro (1,045 thousand euro excluding the effects deriving from the application of IFRS 16) against 5,423 thousand euro at 03/31/2018. It should be noted that the EBT at 31/03/2018 included the plus value resulting from the full divestment in EPS SA for 7,179 thousand euro and non-recurring charges for 1,885 thousand euro incurred for the refinancing of the Bond and the Club Deal loan.

The EBT at 31/03/2019 is affected by net financial charges (including foreign exchange profit and losses) for 1,184 thousand euro (at 31/03/2018 it was 3,999 thousand euro); it should be noted that financial charges include 226 thousand euro resulting from the application of the new accounting standard IFRS 16.

The Group's **NET PROFIT** as at 31/03/2019 is positive for 408 thousand euro (it was equal to 4,659 thousand euro at 31/03/2018); while the Net Profit pertaining to the Parent Company is equal to 407 thousand euro.

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At 31/03/2019 the Group's **net financial indebtness** shows a net debt of 117,632 thousand euro, compared to 84,659 thousand euro at 31/03/2018 and to 74,639 thousand euro at 31/12/2018. The financial debt takes into account the application of the new accounting standard IFRS16 which on 01/01/2019 resulted in an increase in the debt of 27,066 thousand euro. At 31/03/2019 these debts amounted to 26,854 thousand euro.

Below is the detail of the net financial indebtness:

<i>Values expressed in Euro thousand</i>	31/03/19	31/12/18	31/03/18
NON CURRENT FINANCIAL ASSETS	(4.904)	(4.876)	(3.485)
CASH & CASH EQUIVALENTS	(54.294)	(71.078)	(69.100)
CURRENT FINANCIAL ASSETS	(78)	(367)	(674)
CURRENT FINANCIAL LIABILITIES	38.273	35.846	32.629
CURRENT LEASING LIABILITIES	5.408	1.298	843
NON CURRENT FINANCIAL LIABILITIES	103.335	106.405	115.812
NON CURRENT LEASING LIABILITIES	29.892	7.411	8.634
<b>NET FINANCIAL INDEBTNESS</b>	<b>117.632</b>	<b>74.639</b>	<b>84.659</b>

\* \* \* \* \*

During the first quarter of 2019 the Group's order acquisition (including after-sale service) amounted to 97.3 million euro, decreasing of 19.3% compared to 120.5 million euro at 31/03/2018. This order reduction is related, for a share of approx. 50%, to the automotive segment.

The consolidated order backlog (not including the after-sale service) at 31/03/2019 amounts to 166.8 million euro, substantially stable compared to 169.4 at 31/12/2018, but decreasing compared to 192.5 million euro at 31/03/2018.

In the first few months of the year, signs of a slowdown in the macroeconomic situation, which had already appeared in the middle of last year, intensified. The consequence was a drop in orders, particularly significant in the Automotive segment (dealing with a complex picture of evolution of the products and business models).

The slowdown in the capital goods market is associated, as usual, with growing pressure on sales conditions and margins.

The Group is facing this new phase with actions aimed at reducing costs and increasing efficiency and can however count on an order backlog that remains at high levels.

However, in light of the situation described above, the Company cannot currently confirm the targets for additional growth in turnover and profitability for the current year as forecasted in the 2017-2019 business plan while it expects results for this year in line with those of 2018.

A new 2020-2022 three-year plan will be developed starting from the results of the next half-year financial report.

The Executive Chairman, Gianfranco Carbonato, commented: "After 5 consecutive years of growth and a good first quarter, in light of the recent evolution of the macroeconomic situation, we believe it reasonable to set as a target for the current year the stabilization of turnover and profitability on the levels reached in 2018.

Nonetheless, in an extremely uncertain scenario, the Group is continuing to invest in innovation and technology (Fiber Lasers and Additive Manufacturing) as well as in+ commercial presence (Branch Offices in Denmark, Estonia and Korea) in order to further strengthen its competitive positioning on the global market ".

"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 31/03/2019 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:

- 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 Note 20 to the consolidated financial statements.

The results for the first quarter 2019 are unaudited.

**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 1,850 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 3 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.

**Additive Manufacturing (Prima Additive):** dedicated to the design, production and marketing of turnkey solutions for the main technologies in the field of Additive Manufacturing; Prima Additive's product range includes both Additive Manufacturing technologies: Powder Bed Fusion - PBF (powder bed fusion) and Direct Metal Deposition - DMD (direct deposition of metals), as well as the related application support and services.

For further information:

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## CONSOLIDATED BALANCE SHEET

<i>Values in thousand euro</i>	31/03/2019	31/12/2018
Property, plant and equipment	63.541	36.749
Intangible assets	144.036	145.000
Other investments	6.889	6.613
Non current financial assets	4.904	4.876
Deferred tax assets	12.717	11.973
<b>NON CURRENT ASSETS</b>	<b>232.087</b>	<b>205.211</b>
Inventories	152.521	135.863
Trade receivables	94.001	110.757
Other receivables	9.960	8.929
Current tax receivables	8.844	9.667
Derivatives	-	26
Financial assets	78	341
Cash and cash equivalents	54.294	71.078
<b>CURRENT ASSETS</b>	<b>319.698</b>	<b>336.661</b>
<b>Assets held for sale</b>	<b>1.073</b>	<b>1.234</b>
<b>TOTAL ASSETS</b>	<b>552.858</b>	<b>543.106</b>
Capital stock	26.208	26.208
Legal reserve	4.992	4.992
Other reserves	69.112	69.154
Currency translation reserve	4.191	2.706
Retained earnings	63.378	39.322
Net result	407	24.056
<b>Stockholders' equity of the Group</b>	<b>168.288</b>	<b>166.438</b>
<b>Minority interest</b>	<b>3.483</b>	<b>3.334</b>
<b>STOCKHOLDERS' EQUITY</b>	<b>171.771</b>	<b>169.772</b>
Interest-bearing loans and borrowings	132.481	113.180
Employee benefit liabilities	7.532	7.570
Deferred tax liabilities	5.365	5.333
Provisions	197	198
Derivatives	746	636
<b>NON CURRENT LIABILITIES</b>	<b>146.321</b>	<b>126.917</b>
Trade payables	94.418	115.141
Advance payments	45.602	40.545
Other payables	23.884	23.664
Interest-bearing loans and borrowings	43.463	37.028
Current tax payables	6.180	7.117
Provisions	21.001	22.806
Derivatives	218	116
<b>CURRENT LIABILITIES</b>	<b>234.766</b>	<b>246.417</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>552.858</b>	<b>543.106</b>

*The first quarter 2019 figures include the application of the new accounting principle IFRS 16 "Leases" adopted by the Group applying the retrospective simplified approach with no restatement of comparative figures.*

## CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	31/03/2019	31/03/2018
Net revenues	98.444	95.534
Cost of goods sold	(75.395)	(72.706)
<b>GROSS MARGIN</b>	<b>23.049</b>	<b>22.828</b>
Research and Development costs	(7.121)	(6.514)
Sales and marketing expenses	(7.382)	(6.989)
General and administrative expenses	(6.495)	(7.082)
<b>OPERATING PROFIT (EBIT)</b>	<b>2.051</b>	<b>2.243</b>
Financial income	28	944
Financial expenses	(1.878)	(4.433)
Net exchange differences	666	(510)
Net result of other investments (**)	-	7.179
<b>RESULT BEFORE TAXES (EBT)</b>	<b>867</b>	<b>5.423</b>
Taxes	(459)	(764)
<b>NET RESULT</b>	<b>408</b>	<b>4.659</b>
- Attributable to Group shareholders	407	4.689
- Attributable to minority shareholders	1	(31)
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>0,04</b>	<b>0,45</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>0,04</b>	<b>0,45</b>
<b>EBITDA</b>	<b>7.386</b>	<b>6.329</b>

*The first quarter 2019 figures include the application of the new accounting principle IFRS 16 "Leases" adopted by the Group applying the retrospective simplified approach with no restatement of comparative figures.*



## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Values in Euro thousand</i>	31/03/2019	31/03/2018
<b>Net result</b>	<b>408</b>	<b>4.659</b>
<b>Adjustments (sub-total)</b>	<b>(13.714)</b>	<b>(23.380)</b>
Depreciation, impairment & write-off	5.335	4.086
Gain from sales of shares in other investments	-	(7.179)
Net change in deferred tax assets and liabilities	(712)	(357)
Change in employee benefits	(38)	(25)
Change in inventories	(16.658)	(16.745)
Change in trade receivables	16.756	6.771
Change in trade payables and advances	(15.666)	(11.137)
Net change in other receivables/payables and other assets/liabilities	(2.731)	1.206
<b>Cash Flows from (used in) operating activities</b>	<b>(13.306)</b>	<b>(18.721)</b>
<b>Cash flow from investments</b>		
Acquisition of tangible fixed assets (*)	(1.286)	(1.561)
Acquisition of intangible fixed assets	(267)	(413)
Capitalization of development costs	(1.369)	(1.387)
Net disposal of fixed assets (**)	143	98
Change in Other investments	-	7.906
<b>Cash Flows from (used in) investing activities</b>	<b>(2.779)</b>	<b>4.643</b>
<b>Cash flow from financing activities</b>		
Change in other financial assets/liabilities and other minor items	432	(3.259)
Increases in loans and borrowings (including bank overdrafts)	9.036	64.910
Repayment of loans and borrowings (including bank overdrafts)	(9.892)	(47.927)
Repayments in financial lease liabilities	(1.179)	(157)
Other variations	-	(41)
<b>Cash Flows from (used in) financing activities</b>	<b>(1.603)</b>	<b>13.526</b>
<b>Cash Flows from (used in) change of minority shareholders</b>	<b>-</b>	<b>-</b>
Foreign exchange translation differences	904	(869)
<b>Net change in cash and equivalents</b>	<b>(16.784)</b>	<b>(1.421)</b>
<b>Cash and equivalents beginning of period</b>	<b>71.078</b>	<b>70.521</b>
<b>Cash and equivalents end of period</b>	<b>54.294</b>	<b>69.100</b>

<i>Additional Information to the Consolidated Statement of Cash-Flow</i>	31/03/2019	31/03/2018
<i>Values in euro thousand</i>		
Taxes paid	205	117
Interests paid	872	2.899

The first quarter 2019 figures include the application of the new accounting principle IFRS 16 "Leases" adopted by the Group applying the retrospective simplified approach with no restatement of comparative figures.

(\*) Not included leases and included assets held for sale.

(\*\*) Included assets held for sale.