



BORSA ITALIANA - STAR segment

PRESS RELEASE

**PRIMA INDUSTRIE BOARD OF DIRECTORS:**

- **ACKNOWLEDGES THE PRELIMINARY\* GROUP RESULTS AT 30/06/2016 (compared with same at 30/06/2015):**
  - REVENUES AT 183 M€ (+ 4%);
  - ORDER BACKLOG AT 126 M€ (+18%);
  - ADJUSTED EBITDA AT 15.6 M€ (+10%)
  - NET DEBT AT 104 M€ (against 107 M€ at 30/06/2015);
  - NET PROFIT MORE THAN DOUBLED UP TO 2.9 M€
- **APPROVES THE GROUP BUSINESS PLAN FOR THE PERIOD 2017-2019**
  - ORGANIC GROWTH OF REVENUES TO 500 M€ WITHIN 2019
  - EBITDA MARGIN HIGHER THAN 12% ON REVENUES
  - NET DEBT STRONGLY DECREASING

*\*= auditors' limited review still in progress*

Collegno (TO), July 27<sup>th</sup> 2016 - The Board of Directors of Prima Industrie SpA, a company leader in high technology laser systems, sheet metal working systems and electronic components for industrial applications, met today to analyze preliminary results at 30/06/2016 and approve the business plan for the three year period 2017-2019.

The first half of the year was positive for the Group that recorded a **turnover** of 183 million euro, an increase of 4% compared to the 176 million euro of the same period last year. Also satisfactory was the **order acquisition** of the period (and, in particular, in the second quarter with an acquisition of 109 million euro, the second best quarter in the history of the Group); in consequence, the order backlog at the end of the first half amounted to 126 million euro, an increase of 18% compared to the same period last year.

**Adjusted EBITDA** (excluding non recurring items) is 15.6 million euro (+10% against 14.2 million euro at 30/06/2015), also as a consequence of the good performance of the North American and Chinese markets (the latter benefits also from Prima Power Suzhou contribution).

**Net profit** for the year shows also a clear improvement (2.9 million euro as against 1.3 million euro at 30/06/2015), as well as the net debt that, despite the accounting related to the funding for the new HQTC (Headquarters and Technology Center), is reduced to about 104 million Euros (compared to 117 million euro at 31/03/2016 and 107 million euro at 30/06/2015).

*"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 the preceding part of this press release corresponds to the document results, books and accounting records".*

The Board of Directors also approved the Group's Business Plan for the three year period 2017-2019.

The plan, which is based only on an organic growth, foresees an increase in **consolidated revenues to 500 million euro within 2019**, with the achievement of an **EBITDA of over 12%** of revenues.

During the last years the Group has completed the Finn-Power integration (acquired in 2008), it has strengthened its presence in **emerging markets** (Russia, Turkey, India, Brazil) and it has continued to invest in **research and development** activities (6.5% investment in R & D carried out in 2015), to the benefit of the performance and competitiveness of its product range. During the year 2015 it has refinanced its **medium- long term debt**, by issuing a seven-year bond of 40 million euro and negotiating a bank loan of an overall amount of 85 million euro.

Recently, the Group, whose revenues are represented by a large share of **after-sales**, can benefit, after significant development activities in Italy and in the United States, from its own high-power laser source with **fiber technology**, being the only manufacturer of laser machines that can internally count on such technology.

Starting from these assumptions, as well as on the basis of the **strong position in the United States** and of the increasing relevant position in **China** (respectively the first and the second geographic market for Prima Industrie), the Group developed its business plan that predicts, thanks to the innovative and extensive product range, the strengthening of its position in these markets.

Particularly in **China**, which is the main end market for capital goods with about 40% of world consumption of machine tools, the growth expectations are based on recent investments made with the opening of the plant in Suzhou and the strengthening of the sales and after sales direct network in that territory.

The introduction of **its own fiber laser** on the Group laser machines and the completion of the technology in sourcing will also offer an important **competitive advantage** as well as a factor to increase the **profitability** to the Group.

The Group that, with a presence in 80 countries, founds its business model on the diversification both from a geographic and a reference markets standpoint (automotive, aerospace, agricultural and industrial machinery, elevators, HVAC ....), intends to strengthen **the sales network**, as well as its extensive direct presence particularly on certain promising markets such as **Mexico, Iran and Southeast Asia**.

The recent opening of the new **HQTC** (Headquarters & Technology Center) of the parent company in Turin, was capable of attracting customer delegations from many countries worldwide, with a presence of hundreds of visitors in its first month of opening.

This confirms the company's will to present itself as a market-oriented Group, which can be technologically advanced with its product range and able to meet the several needs of different customers, more and more oriented to a **Industry 4.0** conception.

The Chairman of the Group, Gianfranco Carbonato, commented: *"We are on the verge of a third phase of our Group life, after the acquisition of Finn-Power, the international crisis of the following years and the plants and subsidiaries rationalization that this originated; after the entering on new markets, and of the strong research and development investments aimed at making our product range more performing and competitive, today a new growth phase has started, based precisely on the investments carried out in the recent past in order to bring the Group to a next upper level".*

*This press release, with particular reference to the Business Plan 2017-2019, contains forward-looking statements. These statements are based on the Company's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: continued volatility and further deterioration of capital and financial markets, changes in general macro-economic conditions, economic growth and other changes in business conditions, changes in laws and regulations (both in Italy and abroad), and many other factors, most of which are outside of the Company's control.*

**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 over 35 years of experience the Group can count on about 12,000 machines installed in more than 70 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has over 1,600 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 (PRIMA ELECTRO North America 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, serving more than 70 countries worldwide.

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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