



BORSA ITALIANA - STAR segment

PRESS RELEASE

INTERIM FINANCIAL REPORT AT 30/06/2022

(in brackets results at 30/06/2021)

CONTINUING GROWTH

OF ORDERS, REVENUES AND PROFITABILITY

- REVENUES at 214.2 M€ (+16.4%);
- EBITDA at 16.7 M€ (+41.5%);
- Adj. EBITDA at 17.6 M€ (compared to 13.9 M€), equal to 8,2% of revenues;
- EBIT at 7.6 M€ (+261,9 %);
- Adj. EBIT at 8,5 M€ (compared to 4.3 M€), equal to 4,0% of revenues;
- NET RESULT at 3.8 M€ (compared to -0.5 M€);
- NET FINANCIAL DEBT at -76.9 M€ (compared to -84.2 M€), including 41.3 M€ of leasing debts (compared to 35.3 M€);
- ORDER BACKLOG equal to 281.3 M€ (+65.8%).

Collegno (TO), July 29, 2022 - The Board of Directors of Prima Industrie S.p.A, a company leader in the high technology sector of laser systems and sheet metal processing and electronic components for industrial applications, met today to approve the Financial Interim Report at 30/06/2022.

The Chairman Gianfranco Carbonato commented the results as follows: *"We are satisfied with the growth and results achieved during the first half of the year, despite the persistence of some challenging conditions in terms of economic and geopolitical context. In particular, the order acquisition during the first six months of the year registered a very positive trend, recording, in the second quarter, one of the highest collection in the history of the Group. This allows us to have a positive outlook for the second half of the year both in terms of volumes and profitability, as well as a good view on the first part of next year"*.

The Group turnover as of 30/06/2022 amounted to 214,177 thousand euro, with an increase of 16.4% compared to 2021.

The consolidated revenues are shown below, broken down on a geographical basis, at 30/06/2022 compared with the corresponding period of the previous year:

| REVENUES | 30/06/22 | | 30/06/21 | |
|--------------|----------------|--------------|----------------|--------------|
| | Euro thousand | % | Euro thousand | % |
| SEMEA (*) | 82.224 | 38,4 | 62.042 | 33,7 |
| NORTH EUROPE | 48.864 | 22,8 | 40.575 | 22,0 |
| AMERICAS | 50.481 | 23,6 | 49.457 | 26,9 |
| APAC | 32.608 | 15,2 | 31.960 | 17,4 |
| TOTAL | 214.177 | 100,0 | 184.034 | 100,0 |

(*) South Europe, Middle East & Africa

Consolidated turnover as of 30/06/2022 (compared with the corresponding period of the previous year) increased in all areas in which the Group operates: SEMEA (+32.5%), NORTH EUROPE (+20.4 %), AMERICAS (+2.1%) and APAC (+2.0%).

The main destination countries in the SEMEA area were Italy (20.4% of consolidated revenues), Poland and Eastern Europe (8.0% of consolidated revenues) and Spain and Portugal (2.9% of consolidated revenues). The main countries of destination in NORTH EUROPE area were Finland and the Baltic countries (11.6% of consolidated revenues), the DACH countries (4.8% of consolidated revenues) and Benelux (4.5% of consolidated revenues).

The share of revenues realized in the AMERICAS went from 49,457 thousand euro to 50,481 thousand euro, of which 42,228 thousand euro in the United States. With reference to this area, given the substantial stability of revenues, notwithstanding the persistent weakness of the aerospace market, a significant growth in the acquisition of new orders has been registered.

In the APAC area, revenues grew by 2.0% compared to 2021, going from 31,960 thousand euro to 32,608 thousand euro. The increase is mainly attributable to revenues in Australia & New Zealand (equal to 3,880 thousand euro). The Chinese market is substantially stable in the half year period and is affected on one hand by the good contribution of revenues from machinery destined to the automotive sector (mainly electric cars) and on the other hand by the contraction in the sheet metal sector connected to the crisis in the construction market.

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

Values in Euro thousand

| 30/06/22 | Revenues | Gross Margin | Gross Margin % | EBITDA | EBITDA % | EBIT | EBIT % | NET RESULT |
|---------------|----------------|---------------|----------------|---------------|-------------|--------------|-------------|--------------|
| PRIMA POWER | 197.142 | 43.842 | 22,2% | 15.050 | 7,6% | 7.958 | 4,0% | 6.137 |
| PRIMA ELECTRO | 28.195 | 3.634 | 12,9% | 1.394 | 4,9% | (609) | -2,2% | (659) |
| CONSOLIDATION | (11.160) | 220 | - | 264 | - | 264 | - | (1.638) |
| GROUP | 214.177 | 47.696 | 22,3% | 16.708 | 7,8% | 7.613 | 3,6% | 3.840 |

(% calculated over the revenues)

Values in Euro thousand

| 30/06/21 | Revenues | Gross Margin | Gross Margin % | EBITDA | EBITDA % | EBIT | EBIT % | NET RESULT |
|---------------|----------------|---------------|----------------|---------------|-------------|--------------|-------------|--------------|
| PRIMA POWER | 170.334 | 36.003 | 21,1% | 11.497 | 6,7% | 3.502 | 2,1% | 463 |
| PRIMA ELECTRO | 24.784 | 2.970 | 12,0% | 522 | 2,1% | (1.204) | -4,9% | (884) |
| CONSOLIDATION | (11.084) | (224) | - | (175) | - | (175) | - | (122) |
| GROUP | 184.034 | 38.749 | 21,1% | 11.844 | 6,4% | 2.123 | 1,2% | (543) |

(% calculated over the revenues)

In the table above, 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.

To this regard, it should be noted that the Prima Electro BU performed well, while Convergent BU, even if not generating a positive profitability, showed some signals of improvement thanks to the good performance of the medical sector.

The Group EBITDA as at 30/06/2022 is equal to 16,708 thousand euro, equal to 7.8% of revenues against 11,844 thousand euro, equal to 6.4% of revenues as of 30/06/2021.

EBITDA was negatively affected by non-recurring costs equal to 864 thousand euro (at 30/06/2021 they were equal to 2,099 thousand euro); therefore the adjusted EBITDA is equal to 17,572 thousand euro (equal to 8.2% of revenues). In particular, in the second quarter of the year, adjusted EBITDA was equal to 11,368 thousand euro (equal to approximately 9.4% of the quarter turnover).

The Group EBIT at 30/06/2022 was positive for 7,613 thousand euro, equal to 3.6% of revenues compared to 2,123 thousand euro, equal to 1.2% of previous year revenues.

Furthermore, this result is affected by:

- amortization of intangible assets for 3,568 thousand euro (relating to development costs for 2,278 thousand euro and the trademark registered as part of the business combination of the FINN-POWER Group for 969 thousand euro).
- depreciation of tangible fixed assets for 5,527 thousand euro.

EBIT at 30/06/2022 is penalized by non-recurring costs equal to 864 thousand euro; consequently, adjusted EBIT is equal to 8,477 thousand euro (4.0% of revenues). In particular, in the second quarter of the year, adjusted EBIT was equal to 6,809 thousand euro (equal to approximately 5.6% of the quarter turnover).

The EBT of the Group as at 30/06/2022 is positive for 6,109 thousand euro against 71 thousand euro as of 30/06/2021.

The Group EBT discounts net charges deriving from financial management (including profits and losses on exchange rates) for 3,467 thousand euro (as of 30/06/2021 they were equal to 1,992 thousand euro). It also includes a profit from equity investments, equal to 1,993 thousand euro, referring to the revaluation at fair value of the existing 19.9% stake held in 3D-NT srl (now Prima Additive Srl) according to the paragraph 42 of IFRS3 "Business combinations".

The NET RESULT of the Group as at 30/06/2022 is positive for 3,840 thousand euro against the negative 543 thousand euro as of 30/06/2021; the Net Result attributable to the parent company was positive for 3,912 thousand euro.

As of 30/06/2022 the **Group Net Financial Debt** is equal to 76,920 thousand euro, increased compared to 31/12/2021 (equal to 68,421 thousand euro) but showing a reduction compared to 30/06/2021 (equal to 84,213 thousand euro). The increase compared to 31/12/2021 is mainly attributable to an increase in working capital connected to the high order backlog at the end of the half year as well as to the higher inventory due to the components shortage, as well as the payment of approximately 4 million euro in dividends.

Here below the details about the Group Net Debt is shown:

| <i>Values expressed in Euro thousand</i> | 30/06/22 | 31/12/21 | 30/06/21 |
|--|---------------|---------------|---------------|
| NON CURRENT FINANCIAL ASSETS | (6.217) | (4.233) | (4.233) |
| CASH & CASH EQUIVALENTS | (59.035) | (67.267) | (58.023) |
| CURRENT FINANCIAL ASSETS | (408) | (372) | (407) |
| CURRENT FINANCIAL LIABILITIES | 34.311 | 39.886 | 45.976 |
| NON CURRENT FINANCIAL LIABILITIES | 66.952 | 57.575 | 65.590 |
| NET FINANCIAL DEBT (before leasing) | 35.603 | 25.589 | 48.903 |
| LEASING LIABILITIES | 41.317 | 42.832 | 35.310 |
| NET FINANCIAL DEBT | 76.920 | 68.421 | 84.213 |

During the first half of 2022, the **Group order acquisition** (including the after-sale service) amounted to 276.4 million euro, increasing by 20.8% compared to the 228.8 million euro at 30/06/2021 and 96.3% compared to 30/06/2020.

The consolidated **order backlog** (not including after-sale service) as at 30/06/2022 amounts to 281.3 million euro, showing an increase compared to 169.7 million euro at 30/06/2021.

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“The manager responsible for preparing the company financial reports, Marco Pintauro, 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 the documentary findings, books and accounting records”.

The document containing the Financial Interim Report as at 30/06/2022 shall be filed and made available at the Company registered office and on the website www.primaindustrie.com as well as on the authorized storage mechanism www.1info.it, according to law 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 | 30/06/2022 | <i>of which related parties</i> | 31/12/2021 | <i>of which related parties</i> |
|---|----------------|---------------------------------|----------------|---------------------------------|
| Property, plant and equipment | 70.696 | - | 71.854 | - |
| Intangible assets | 120.778 | - | 116.624 | - |
| Investments accounted for using the equity method | - | - | 394 | 394 |
| Other investments | 7.153 | - | 6.927 | - |
| Non current financial assets | 5.113 | - | 4.233 | - |
| Derivatives | 1.104 | - | - | - |
| Deferred tax assets | 18.636 | - | 18.823 | - |
| NON CURRENT ASSETS | 223.480 | | 218.855 | |
| Inventories | 172.223 | - | 134.859 | - |
| Trade receivables | 85.882 | 2.365 | 91.164 | 3.821 |
| Other receivables | 8.962 | - | 6.972 | 44 |
| Current tax receivables | 10.560 | - | 9.286 | - |
| Financial assets | 408 | - | 372 | - |
| Cash and cash equivalents | 59.035 | - | 67.267 | - |
| CURRENT ASSETS | 337.070 | | 309.920 | |
| Assets held for sale | 4.000 | - | 4.775 | - |
| TOTAL ASSETS | 564.550 | | 533.550 | |
| Capital stock | 26.208 | - | 26.208 | - |
| Legal reserve | 5.242 | - | 5.242 | - |
| Other reserves | 65.290 | - | 68.161 | - |
| Currency translation reserve | 11.415 | - | 4.274 | - |
| Retained earnings | 70.375 | - | 60.623 | - |
| Net result | 3.912 | - | 7.798 | - |
| Stockholders' equity of the Group | 182.442 | - | 172.306 | - |
| Minority interest | 5.643 | - | 3.412 | - |
| STOCKHOLDERS' EQUITY | 188.085 | | 175.718 | |
| Interest-bearing loans and borrowings | 102.106 | - | 94.259 | - |
| Employee benefit liabilities | 6.635 | - | 6.728 | - |
| Deferred tax liabilities | 3.767 | - | 4.678 | - |
| Provisions | 244 | - | 244 | - |
| Derivatives | - | - | 140 | - |
| NON CURRENT LIABILITIES | 112.752 | | 106.049 | |
| Trade payables | 112.588 | 83 | 98.239 | 401 |
| Advance payments | 54.238 | 61 | 52.450 | 61 |
| Other payables | 22.035 | 243 | 24.226 | 785 |
| Interest-bearing loans and borrowings | 40.185 | - | 45.849 | - |
| Current tax payables | 9.213 | - | 8.712 | - |
| Provisions | 25.165 | - | 22.262 | - |
| Derivatives | 289 | - | 45 | - |
| CURRENT LIABILITIES | 263.713 | | 251.783 | |
| TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES | 564.550 | | 533.550 | |

CONSOLIDATED INCOME STATEMENT

| <i>Values in euro thousand</i> | | <i>of which related parties</i> | | <i>of which related parties</i> |
|---|---------------|---------------------------------|----------------|---------------------------------|
| | 30/06/2022 | | 30/06/2021 | |
| Net revenues | 214.177 | 972 | 184.034 | 3.019 |
| Cost of goods sold | (166.481) | (38) | (145.285) | (840) |
| GROSS MARGIN | 47.696 | | 38.749 | |
| Research and Development costs | (11.508) | (8) | (11.934) | 15 |
| Sales and marketing expenses | (13.855) | - | (12.539) | - |
| General and administrative expenses | (14.720) | (924) | (12.153) | (672) |
| OPERATING PROFIT (EBIT) | 7.613 | | 2.123 | |
| <i>of which: non recurring items</i> | <i>(864)</i> | | <i>(2.160)</i> | |
| Financial income | 233 | - | 4.420 | - |
| Financial expenses | (3.217) | - | (7.003) | - |
| Net exchange differences | (483) | - | 591 | - |
| Net result of investments accounted for using the equity method | (30) | (30) | (60) | (60) |
| Gain from investments | 1.993 | - | - | - |
| RESULT BEFORE TAXES (EBT) | 6.109 | | 71 | |
| <i>of which: non recurring items</i> | <i>1.129</i> | | <i>(2.160)</i> | |
| Taxes | (2.269) | - | (614) | - |
| NET RESULT | 3.840 | | (543) | |
| - Attributable to Group shareholders | 3.912 | | (629) | |
| - Attributable to minority shareholders | (72) | | 86 | |
| RESULT PER SHARE - BASIC (in euro) | 0,38 | | (0,06) | |
| RESULT PER SHARE - DILUTED (in euro) | 0,37 | | (0,06) | |
| EBITDA | 16.708 | | 11.844 | |

CONSOLIDATED STATEMENT OF CASH FLOWS

| <i>Values in Euro thousand</i> | 30/06/2022 | <i>of which related parties</i> | 30/06/2021 | <i>of which related parties</i> |
|--|-------------------|---------------------------------|-------------------|---------------------------------|
| Net result | 3.840 | | (543) | |
| Adjustments (sub-total) | (10.623) | - | 18.295 | - |
| Depreciation, impairment & write-off | 9.095 | - | 9.722 | - |
| Stock Grants reserve | 608 | - | - | - |
| Net change in deferred tax assets and liabilities | (724) | - | (996) | - |
| Change in employee benefits | (174) | - | (9) | - |
| Change in inventories | (36.937) | - | (17.524) | - |
| Change in trade receivables | 5.542 | 1.456 | (5.476) | (135) |
| Change in trade payables and advances | 15.685 | (318) | 27.036 | (1.071) |
| Net change in other receivables/payables and other assets/liabilities | (1.755) | (498) | 5.482 | (203) |
| Net result of investments accounted for using the equity method | 30 | 30 | 60 | 60 |
| Gain from investments | (1.993) | - | - | - |
| Cash Flows from (used in) operating activities | (6.783) | | 17.752 | |
| Cash flow from investments | | | | |
| Acquisition of tangible fixed assets (*) | (2.051) | - | (2.357) | - |
| Acquisition of intangible fixed assets | (936) | - | (327) | - |
| Capitalization of development costs | (863) | - | (1.302) | - |
| Net disposal of fixed assets (**) | 824 | - | 231 | - |
| Acquisition subsidiary 3D-NT srl | 636 | - | - | - |
| Cash Flows from (used in) investing activities | (2.390) | | (3.755) | |
| Cash flow from financing activities | | | | |
| Change in other financial assets/liabilities and other minor items | (145) | - | (17) | - |
| Increases in loans and borrowings (including bank overdrafts and Credit lines) | 32.062 | - | 2.532 | - |
| Repayment of loans and borrowings (including bank overdrafts and Credit lines) | (29.495) | - | (19.005) | - |
| Repayments in financial lease liabilities | (3.325) | - | (3.095) | - |
| Dividends paid | (4.124) | - | - | - |
| Treasury stock reserve | (291) | - | (819) | - |
| Cash Flows from (used in) financing activities | (5.318) | | (20.404) | |
| Foreign exchange translation differences | 6.259 | | 1.431 | |
| Net change in cash and equivalents | (8.232) | | (4.976) | |
| Cash and equivalents beginning of period | 67.267 | | 62.999 | |
| Cash and equivalents end of period | 59.035 | | 58.023 | |
| Additional Information to the Consolidated Statement of Cash-Flow | 30/06/2022 | | 30/06/2021 | |
| <i>Values in euro thousand</i> | | | | |
| Taxes paid | 1.172 | | 251 | |
| Interests paid | 1.236 | | 1.384 | |

(*) Not included leases

(**) Included assets held for sale