



 PRIMA  
INDUSTRIE

**1977-2017 : 40 SPARKLING YEARS**

*Company profile*

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*July 2018*



# Prima Group at a glance

- Founded in 1977, Prima Industrie is a global leader in **high technology** laser and sheet metal processing systems and electronic components for industrial applications
- Over 13,000 machines installed in more than **80 countries**
- **1,781 employees** worldwide (~50% in Italy)
- Manufacturing sites in Italy, Finland, USA and China
- Broad direct commercial and after-sales presence in **EU, NAFTA, BRIC** and other **emerging markets**.
- 2017 sales were **€ 449.5 millions (+14%)**, of which 85% outside Italy.
- Strong commitment to **innovation** (R&D is 5.2% of turnover)
- **Listed** on Italian Stock Exchange (STAR segment) since 1999



# Prima Group business sectors: Prima Power



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LASER MACHINES



SHEET METAL  
MACHINERY

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Prima  
Power



# Prima Group business sectors: Prima Electro



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ELECTRONICS



convergent

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LASER SOURCES

Prima  
Electro





# Our presence in the world

Prima Industrie at a glance

**We are always close to our customers, wherever they are.**

Prima Industrie is present in 5 continents with over 1700 employees and a network of specialized distributors.

## Industrial footprint

8 plants in 3 continents



Headquarters  
PRIMA  
INDUSTRIE

Prima  
Power

Prima  
Electro

## Sales and service footprint



Branches and subsidiaries  
in 28 countries worldwide



Presence including  
distributors and agents  
in over 80 countries



More details about our presence  
in the world are available online:  
[primaindustrie.com/  
our-presence-in-the-world](http://primaindustrie.com/our-presence-in-the-world)

### AMERICA



PRIMA POWER  
LASERDYNE LLC  
Champlin, MN - USA



CONVERGENT  
PHOTONICS LLC  
Chicopee, MA - USA

### EUROPE



PRIMA INDUSTRIE  
HEADQUARTERS  
AND TECH CENTER  
Collegno (TO) - Italy



PRIMA INDUSTRIE SPA  
Collegno (TO) - Italy



PRIMA INDUSTRIE SPA  
Cologna Veneta (VR) -  
Italy



PRIMA ELECTRO SPA  
Moncalieri (TO) - Italy



PRIMA ELECTRO SPA  
Barone (TO) - Italy



FINN POWER OY  
Kauhava - Finland



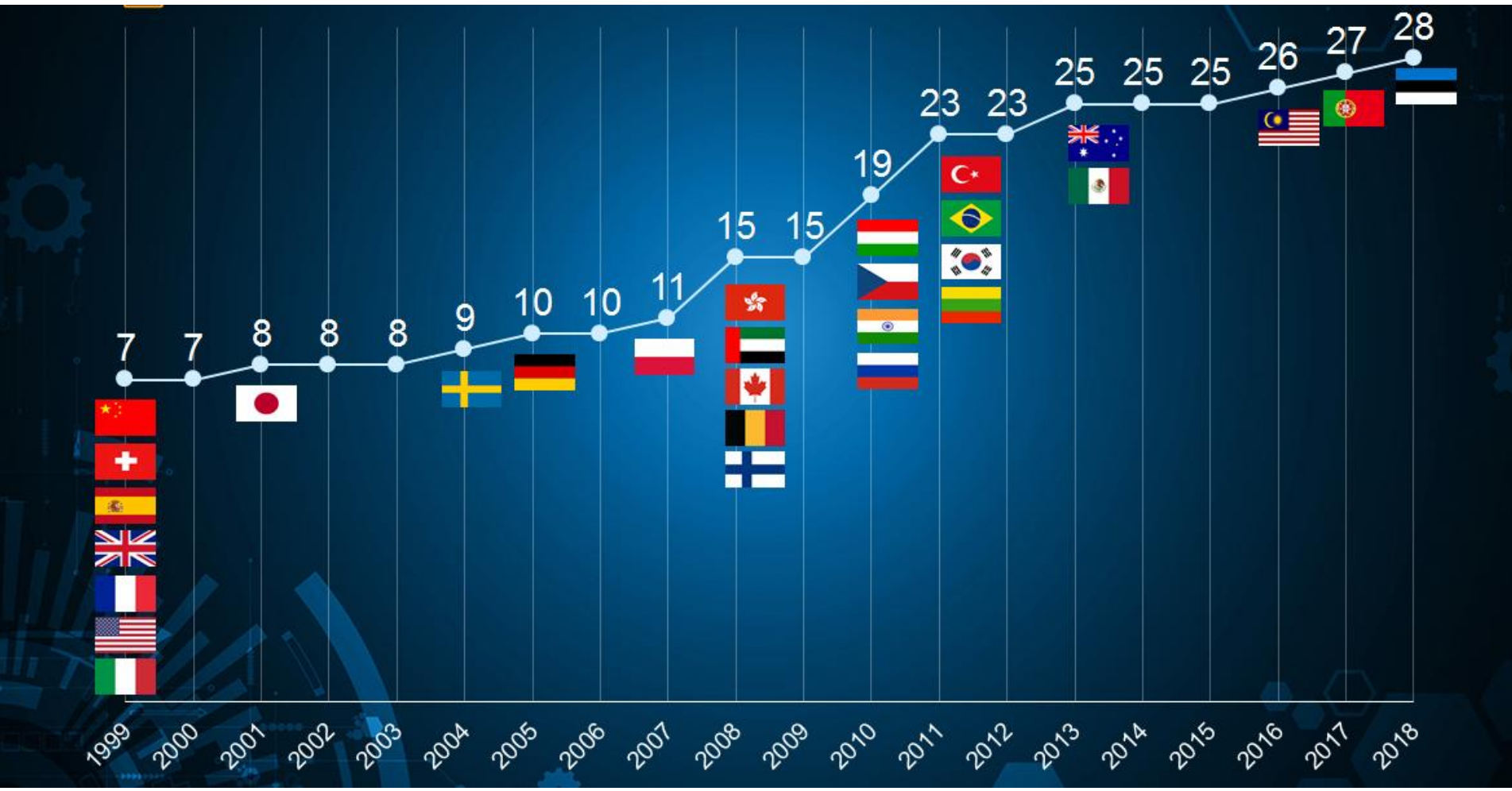
PRIMA POWER  
SUZHOU CO. LTD  
Suzhou, China

### ASIA



# Sales & service footprint

OTHER 50+ COUNTRIES SERVED WITH AGENTS & DISTRIBUTORS





# 2015-2019: 5 years of strong investments

#	INVESTMENT	LOCATION	OPENING DATE	TOTAL AMOUNT
1	New Plant in China	Suzhou (PRC)	March 2015	6,8 M€ <sup>(1)</sup>
2	Diode Fab for Fiber Lasers	Torino (ITA)	October 2015	7,5 M€
3	HQ and Technology Center	Torino (ITA)	May 2016	15,0 M€ <sup>(2)</sup>
4	Investment in Lead Laser	Cangzhou (PRC)	June 2018	6,7M€ <sup>(3)</sup>
5	New Facility in Germany	Munich (GER)	June 2018	4,0 M€ <sup>(4)</sup>
6	R&D + Additive Manufacturing facility	Torino (ITA)	December 2018	6,0 M€
7	New Plant in Finland	Seinajoki (FIN)	March 2019	21,0 M€ <sup>(5)</sup>
	<b>TOTAL</b>			<b>67 M€</b>

(1)= 6,8 M€ (equal to the share capital of the newly incorporated company, Prima Power Suzhou) were subscribed for 70% by Prima Industrie and for the remaining 30% by LEEPOT Machine Tool Co. Ltd.

(2) = Including 5 M€ of machines in the Show Room.

(3) = The investment is carried out through Prima Power Suzhou, so Prima Group cash out is limited to 4,7 M€.

(4) = Including 2 M€ of machines in the Show Room.

(5) = The investments has been financed by the financial company belonging to the city of Seinajoki; Finn-Power Oy will sign a 9-year leasing contract to use the new plant.

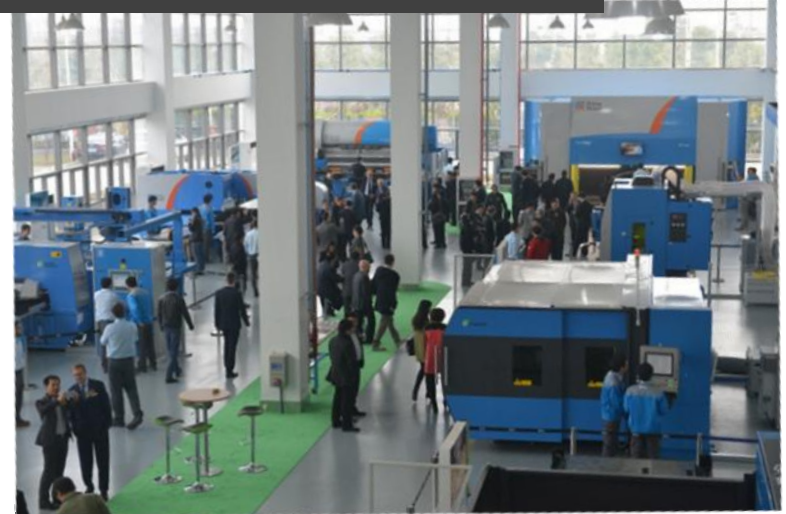




# Mar 2015 - New Plant in Suzhou (China) - 6.8 M€



The plant, which covers a surface equal to 8.000 square meters, hosts manufacturing, sale and after-sale activities for a wide set of metal sheet processing machines. In addition to manufacturing area and HQ offices, the plant hosts a large show room destined to welcome Chinese and Asian customers.



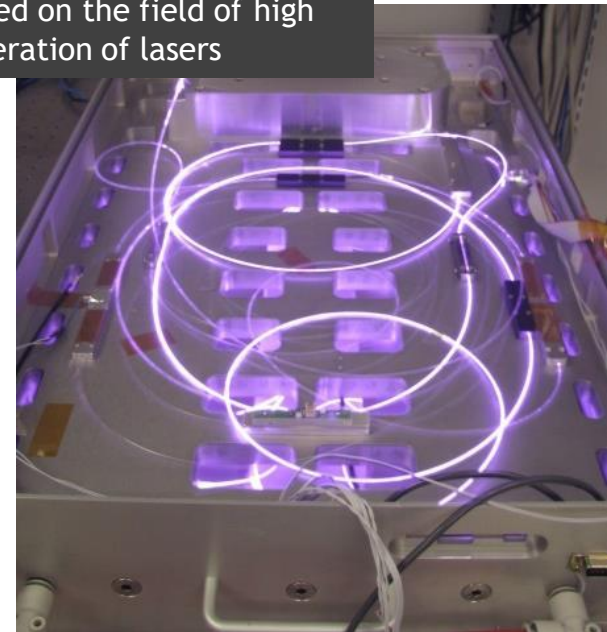




# Oct 2015 - Diode Fab for Fiber Lasers (Torino) - 7.5 M€



The high tech laboratories host research activities focused on the field of high power optoelectronic semiconductors for the latest generation of lasers





# May 2016 - New HQ and Technology Center in Torino - 15.0 M€



The HQTc is structured in 5000 square meters of which 2500 are dedicated to the corporate offices and 2500 dedicated to the Demo Room and to the hospitality of the customers. The Demo Room hosts 10-12 Prima Power machines, including a whole production line.







# Jun 2018 - Investment in Lead Laser Cangzhou (China) - 6.7 M€



Prima Industrie, through Prima Power brand, already holds a significant share of the Chinese market of high-end machines (3D laser, systems, panel benders), while it still has a limited presence in the market of 2D laser machines. This investment is aimed at increasing the Group's market share in the Chinese market of 2D laser machines, the largest in the world in terms of size and growth rate.







# Jun 2018 - New facility in Munich (Germany) - 4.0 M€



The new location features a large Show Room and well organized areas dedicated to demonstrations, applications, cycle time studies, training, and conferences. The new location is in the heart of the D-A-CH area, which is strategic for the Group, as it represents the second most important market in Europe after Italy, with 5% of revenues and an installed base of over 1000 machines.

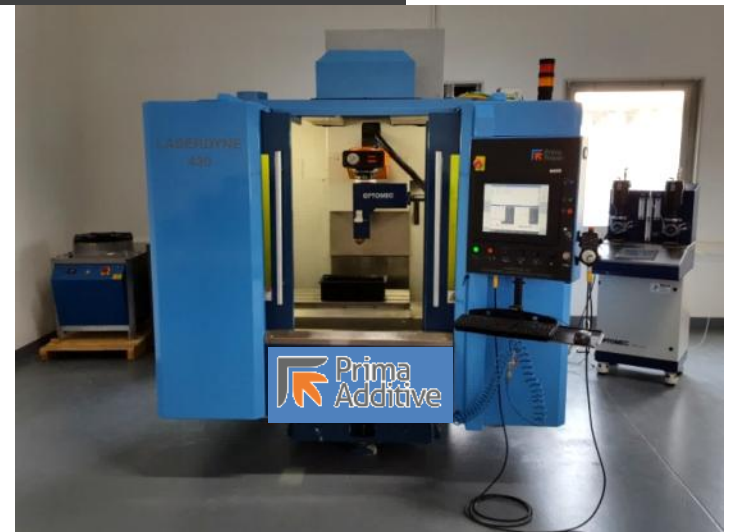




# Dec 2018 - R&D + Additive Manufacturing facility in Torino - 6.0 M€



The facility, structured on approx. 3,300 sqm, represents an extension of the HQTC to host the new Prima Additive division in addition to the R&D employees of laser machines development and relevant labs.







# Mar 2019 - Finn-Power Oy new Plant in Seinäjoki (Finland) - 21.0 M€



Finn-Power OY is constructing a new, modern and more efficient building (factory & offices) in the City of Seinäjoki, replacing current location in Kauhava. The new plant is being built-to-suit by a local municipality finance company and will be rented to Finn-Power. Seinäjoki offers a more convenient location in terms of infrastructures, accommodations and hosts several schools and a university.



**2014 – 2017**  
**Finn-Power Oy**  
FI16369339

is a company which creates power  
for the economic future

The company has achieved the high-rating A1a credit classification in the investment grade, and is thus entitled to this credit certificate. The classification is a proof of the company's long-term position, financial key ratios, operational performance and great payment behaviour. The classification is granted by Suomen Arvoklassit Oy.

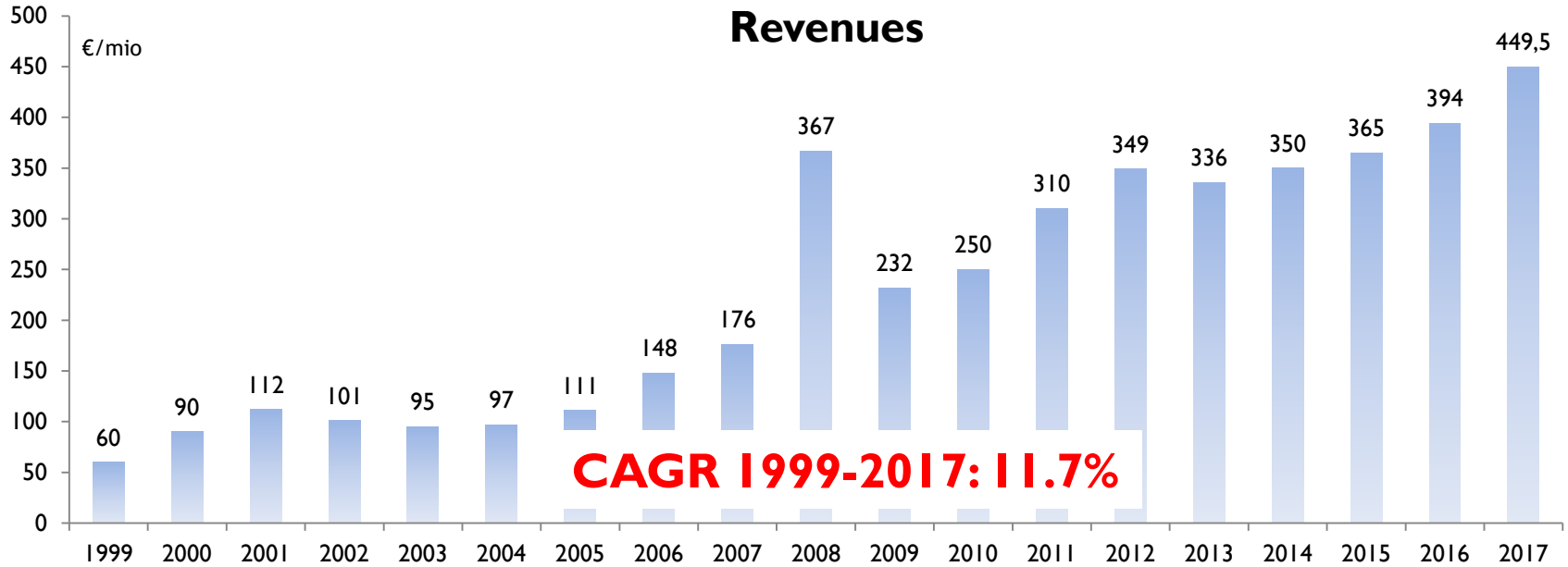
asiakastieto.fi





# A history of growth

## Revenues



**CAGR 1999-2017: 11.7%**

1999  
• IPO on Italian Stock Market  
• First JV in China

2000  
• Acquisition of Convergent Energy in the US (internalization of laser source)

2001  
• Acquisition of Laserdyne in the US (leadership in aerospace market)  
• JV in Japan

2003  
• Second JV in China

2005  
• Acquisition of Matra distributor in Germany  
• Third JV in China

2007  
• Acquisition of OSAI (very well-known brand in the field of CNCs)

2008  
• Acquisition of Finnish Group FINN-POWER (size doubled)

2009-2010  
• Reorganiz. of the commercial network in European countries  
• Factory rationalization

2011-2013  
• New commercial subsidiaries in emerging markets (Brazil, India, Russia, Turkey, UAE, Australia, Mexico, Korea)  
• Agreement for Panel Benders with Amada for Japan

2015  
• New manufact. plant in China (Prima Power Suzhou)  
• New sales & service organization in China

2016  
• New HQTC (Turin)

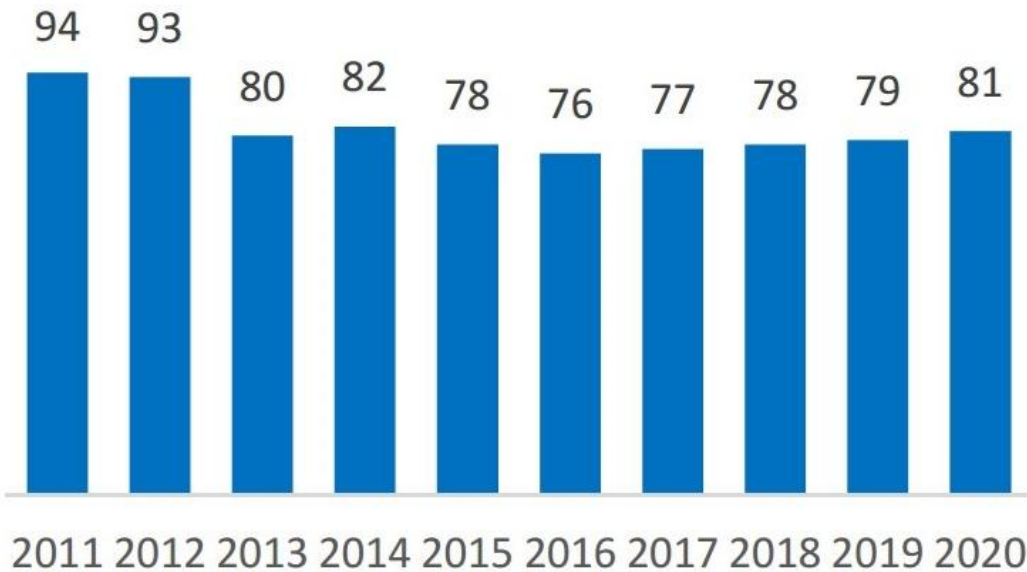


# Market trends: machine tool market - by Oxford Economics (update Spring 2017)

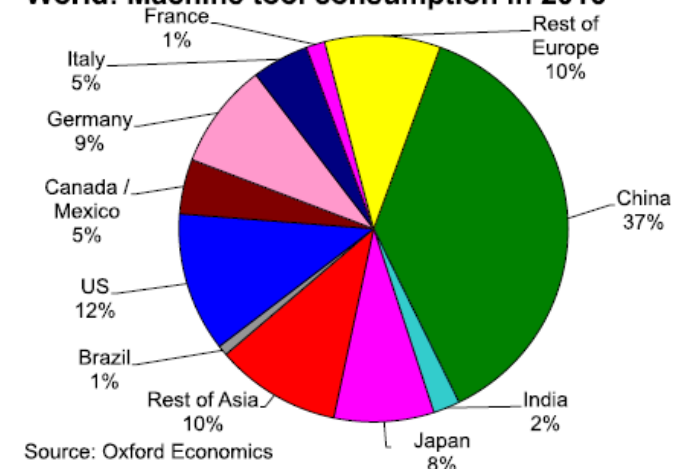


(values in \$/bn)

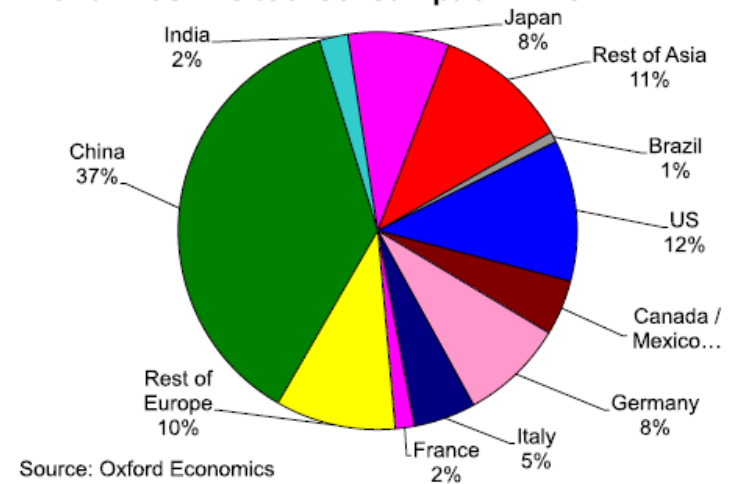
**CAGR 2016-2020: ~2%**



**World: Machine tool consumption in 2016**



**World: Machine tool consumption in 2021**

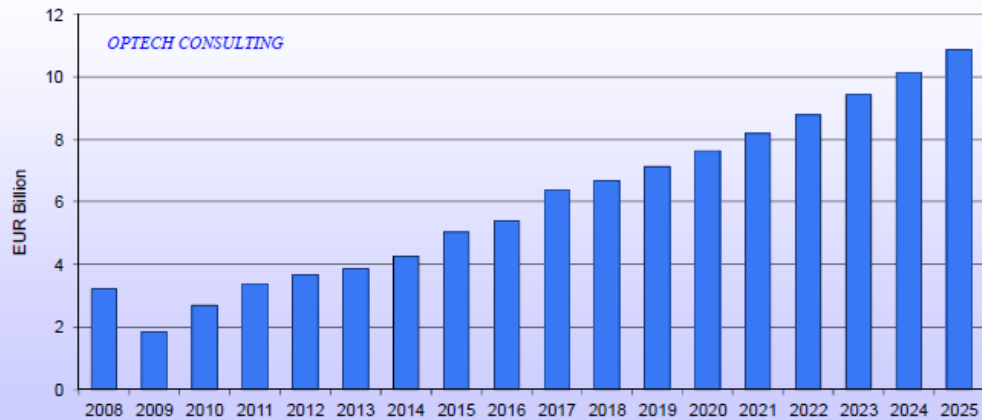




# Market trends: laser systems market - by Optech Consulting

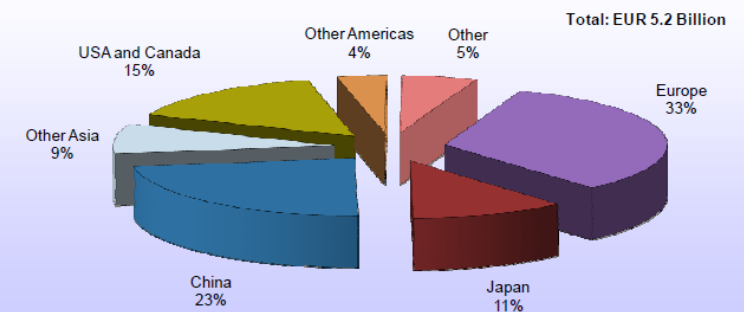
## OPTECH CONSULTING

Global Market for High Power Laser Systems, Forecast to 2025,  
by Value



CAGR 2018-2025: 7.2%

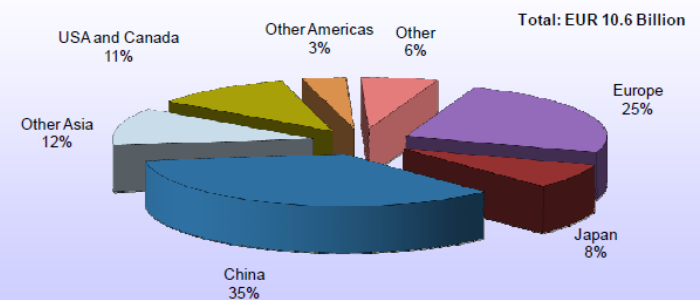
Global Market for High Power Laser Materials  
Processing Systems\*, 2016, by Geography



\* Not including surface treatment and additive manufacturing systems

OPTECH CONSULTING

Global Market for High Power Laser Materials  
Processing Systems\*, 2025, by Geography



\* Not including surface treatment and additive manufacturing systems

OPTECH CONSULTING





# Growth drivers

## REVENUE DRIVERS



- Machine Tool market expected growth (*Oxford Economics*) - **cagr 2016-2020: 2%**
- Laser market expected growth (*Optech Consulting*) - **cagr 2018-2025: 7.2%**
- Success of newly released products
- Strengthening of market coverage in China & Asia
- New HQTC (Headquarters & Tech Center) boosting order intake

## EBITDA DRIVERS



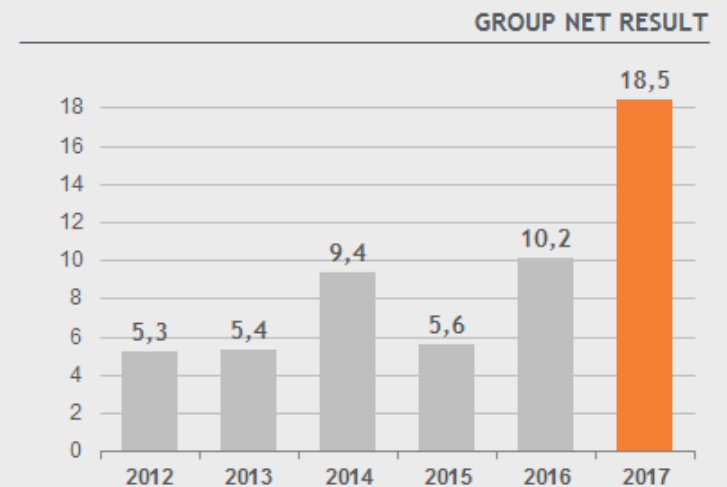
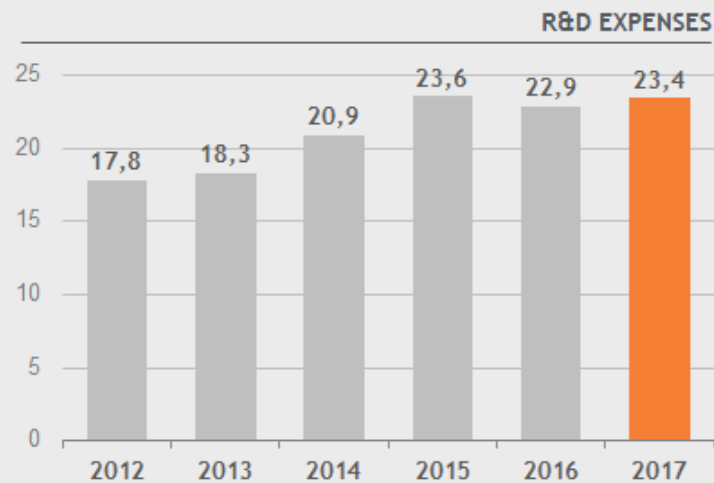
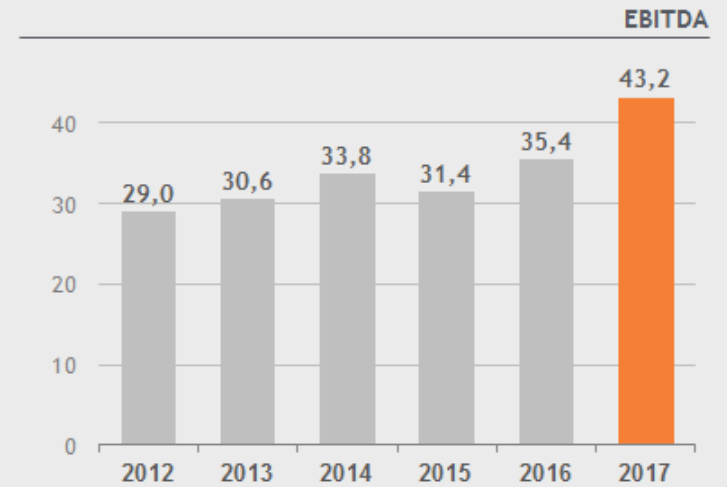
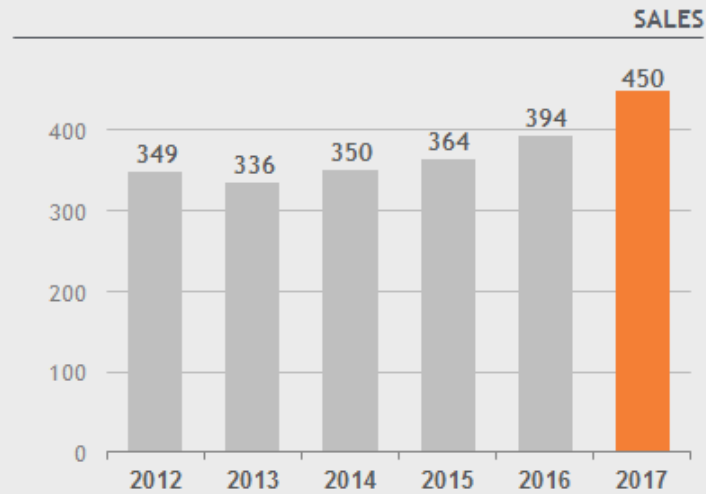
- Higher volumes = Operational leverage
- Progressive increase in fiber laser in sourcing
- Diode Fab success in diodes development
- New Additive Manufacturing Division



# Economic trends

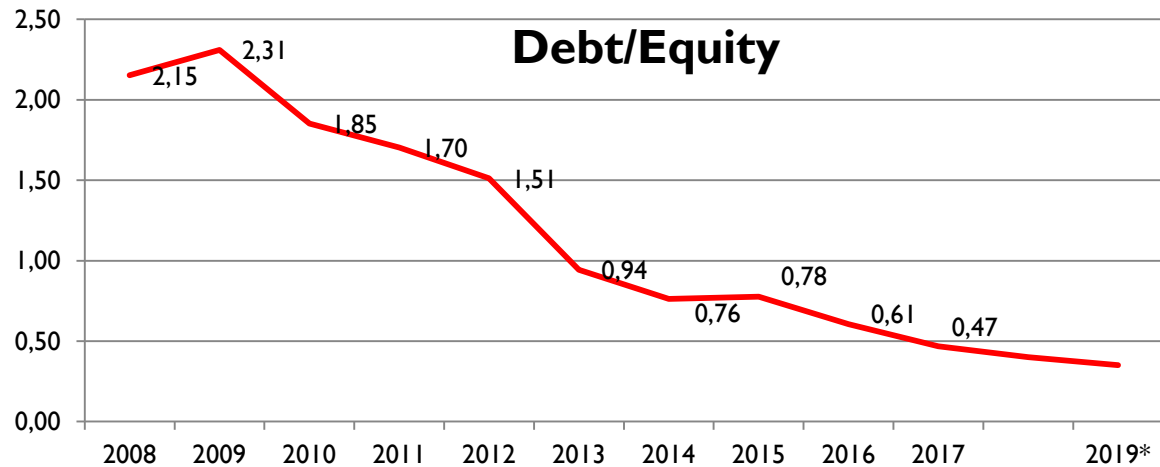
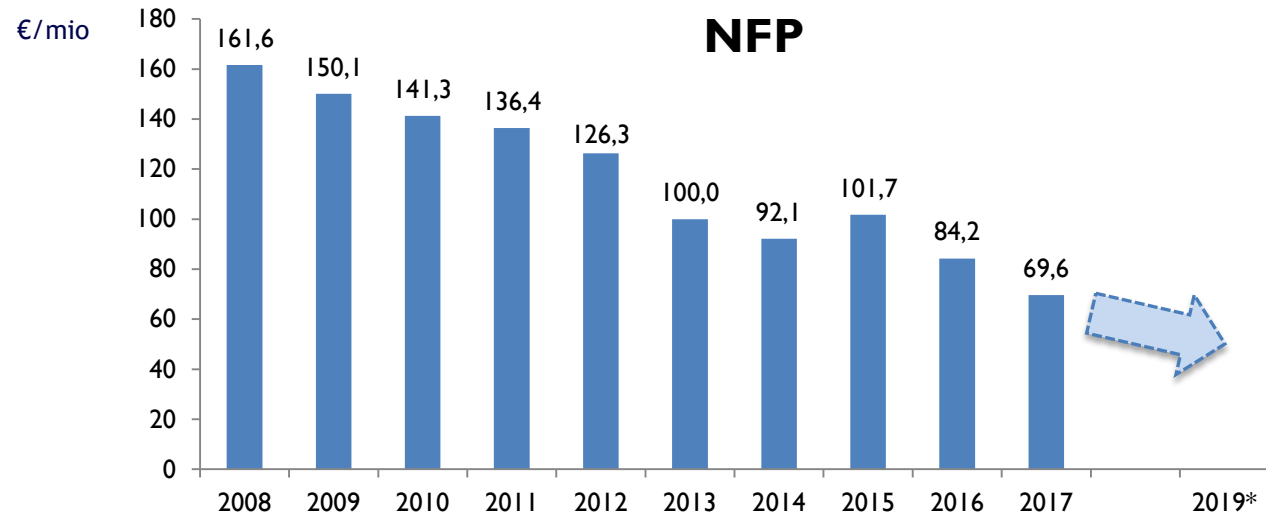
## OUR GROUP - KEY INDICATORS

VALUE IN EURO MILLION





# Net financial position trend



\* = according to Company's business plan



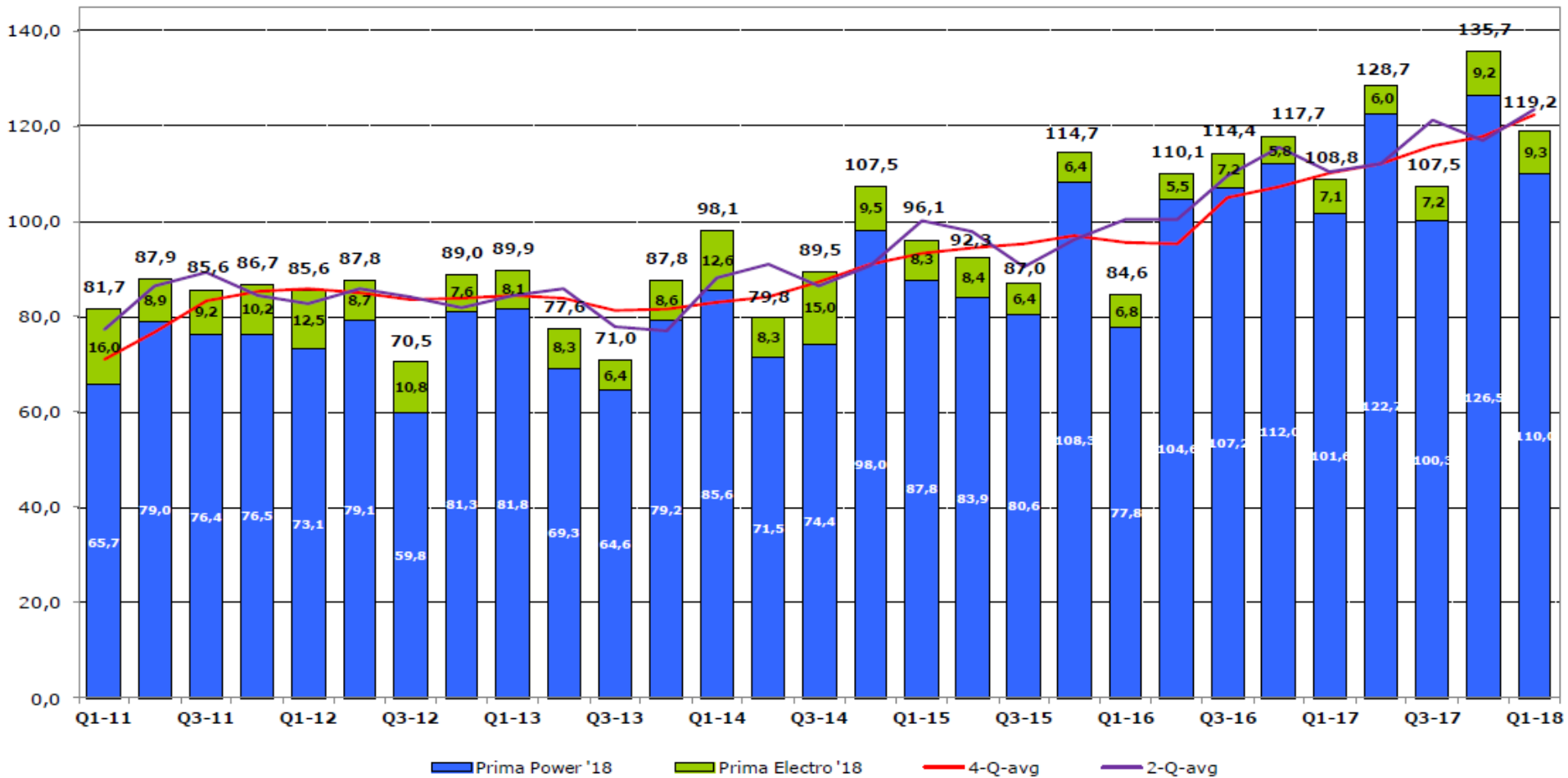


# M/L term debt refinancing on main operations

Type	Counterparty	Amount (M€)	Interest rate %	Maturity	Timing for reimbursement	Type	Counterparty	Amount (M€)	Interest rate %	Maturity
BOND	INSTITUTIONAL INVESTOR 1	40	5,875	2022	March 2018	BOND	INSTITUTIONAL INVESTOR 2	25	3,50	2025
TERM LOAN	IT BANKS CLUB DEAL	23	3,03	2021	March 2018	TERM LOAN	BANK 1	25	2,08	2022
TERM LOAN	FINN BANKS CLUB DEAL	20	Euribor +2,50	2020	December 2017	TERM LOAN	BANK 2	20	1,75	2022
TERM LOANS	SEVERAL BANKS INSTALMENTS	25	Euribor +1,75 average	2018/19	2018/2019	TERM LOANS	SEVERAL BANKS	45	Euribor +1,50	2022/2023
TOTAL		108	3,70	2018/2022		TOTAL		115	2,10	2022/2025



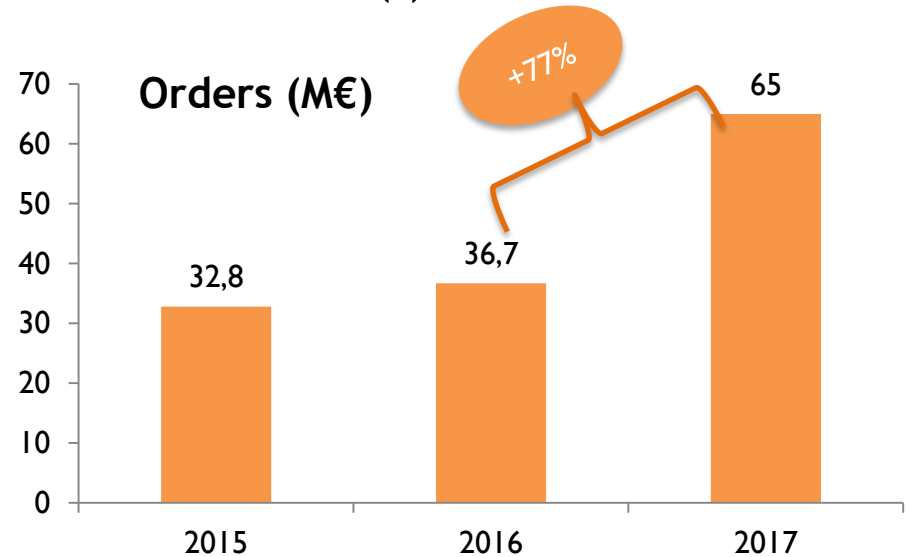
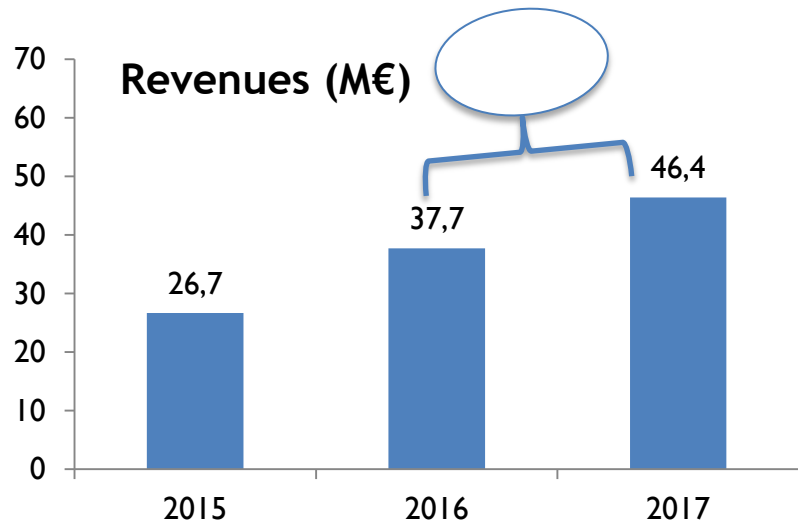
# Quarterly order intake since 2011





# Focus on Italian Market

## FOCUS ON MACHINE BUSINESS - AREA ITALY (\*)



(\*): ITALY + EX-YUGO, NOT INCLUDING ELECTRONICS & AFTER SALES

STRONG GROWTH IN 2017  
BOOSTED BY INDUSTRY 4.0  
TAX INCENTIVES



3D CUTTING AREA  
AT CECOMP CUSTOMER  
(TURIN AREA)





# Analysts' consensus

	2018				2019				Company Business Plan
	B. IMI	Mediobanca	B. Akros	Consensus	B. IMI	Mediobanca	B. Akros	Consensus	
	46,4	39,4	40,0		46,4	39,4	40,0		
REVENUES	485	478,5	477	480,2	510	503,5	510,5	508,0	500
EBITDA	54,81	52,3	57	54,7	61,2	60,2	65,4	62,3	60
EBIT	37,95	34,2	41	37,7	44,34	41,2	49,9	45,1	-
NET RESULT	32,77	29	27	29,6	31,69	30,4	33,9	32,0	-
NFP	-54,2	-56,5	-63	-57,9	-34,8	-33,8	-40,4	-36,3	-



MEDIOBANCA

*Released May 8, 2018 - June 5, 2018*



BANCA IMI

*Released May 11, 2018*

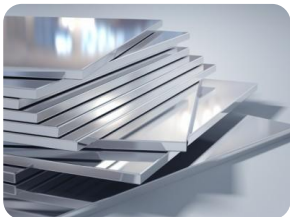
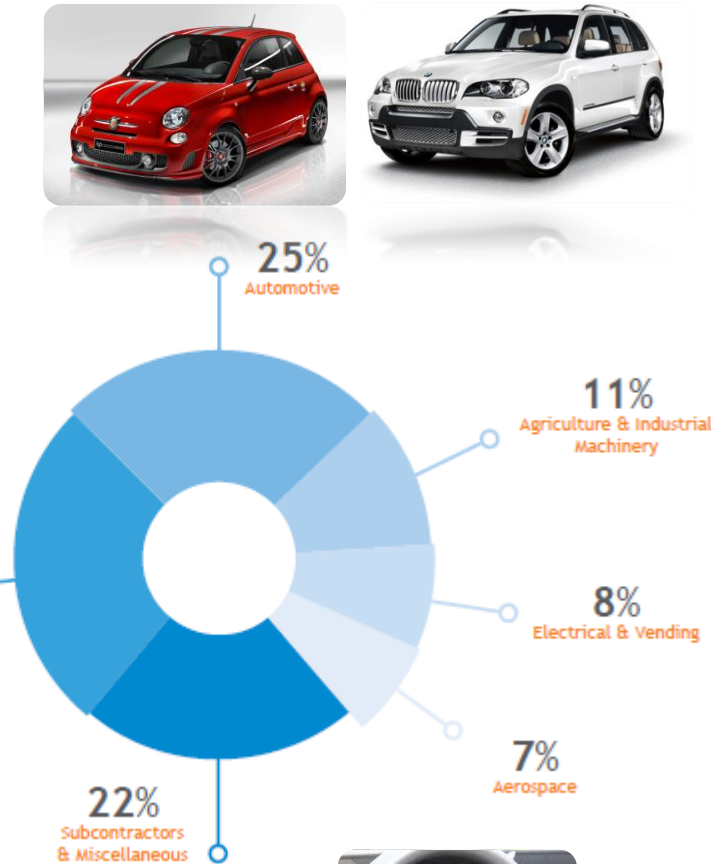


*Released March 27, 2018*



# Machine revenues by application (2017)

MACHINE SALES BY INDUSTRY



Figures FY 2017



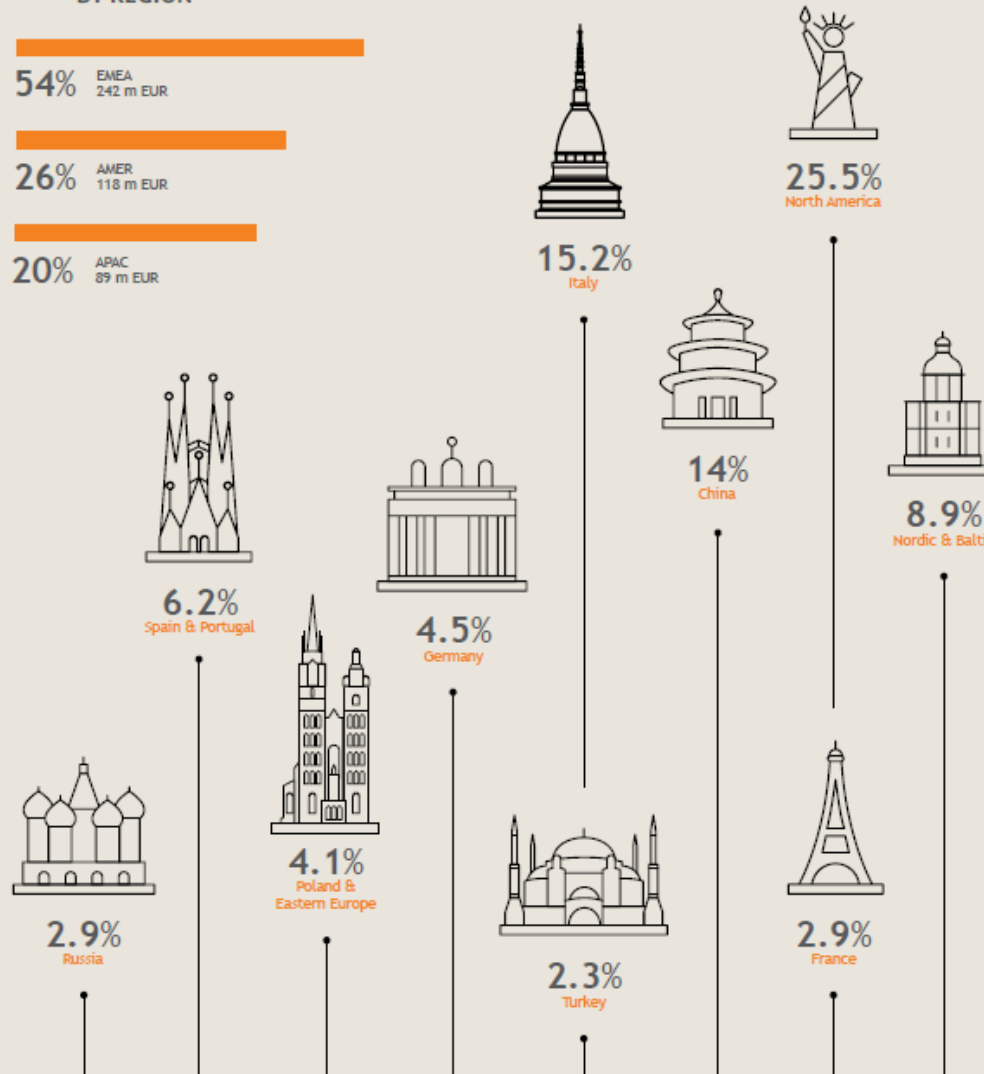
# Regional Highlights (2017)

## REVENUES BY REGION

54% EMEA  
242 m EUR

26% AMER  
118 m EUR

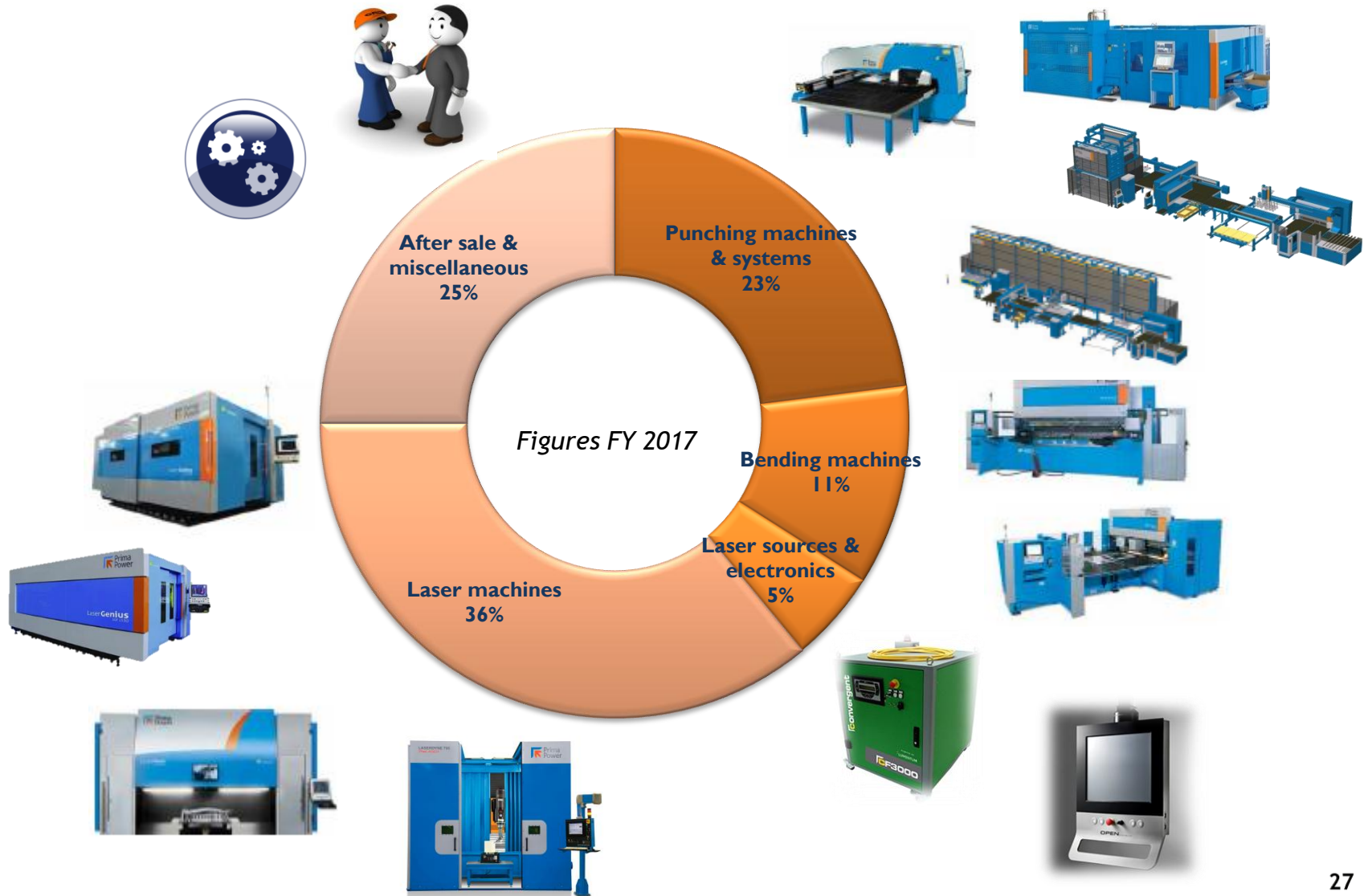
20% APAC  
89 m EUR







# Revenues by technology (2017)





# Group Employees

## OUR GROUP - EMPLOYEES

VALUE EXPRESSED IN UNITS



**+ 117 (7 %) in 2017**

Collaboration with Politecnico di Torino for Master in:

- Industrial Automation
- Additive Manufacturing
- Industry 4.0



EMPLOYEES IN ITALY

31/12/17

COLLEGNO

396

COLOGNA  
VENETA

227

MONCALIERI  
& BARONE

211

PRIMA  
GROUP

834

AVERAGE EMPLOYEE AGE: **39**

INVESTMENTS IN YOUNG TALENTS:

**+140 (8%) HEADCOUNT IN 2018**  
(of which 50 in Italy)



# Competitive & Comprehensive product range

## The Laser

3D



Laser Next

## The System



PSBB

## The Bend



Bce Smart

2D



Laser Genius

## The Combi



Combi Genius

## The Punch



Shear Punch



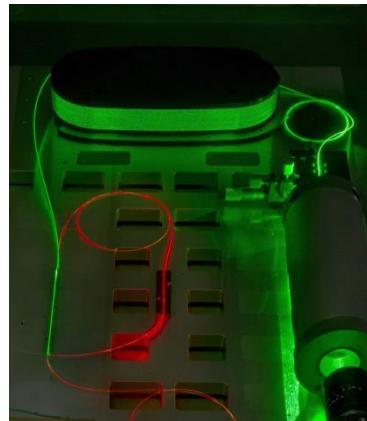
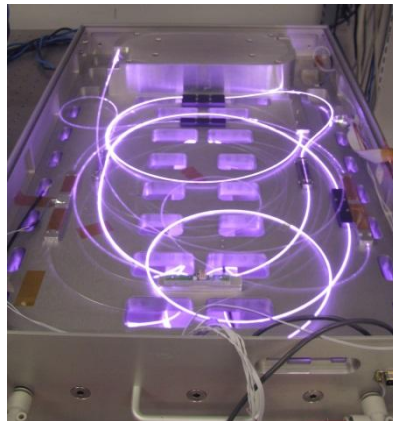
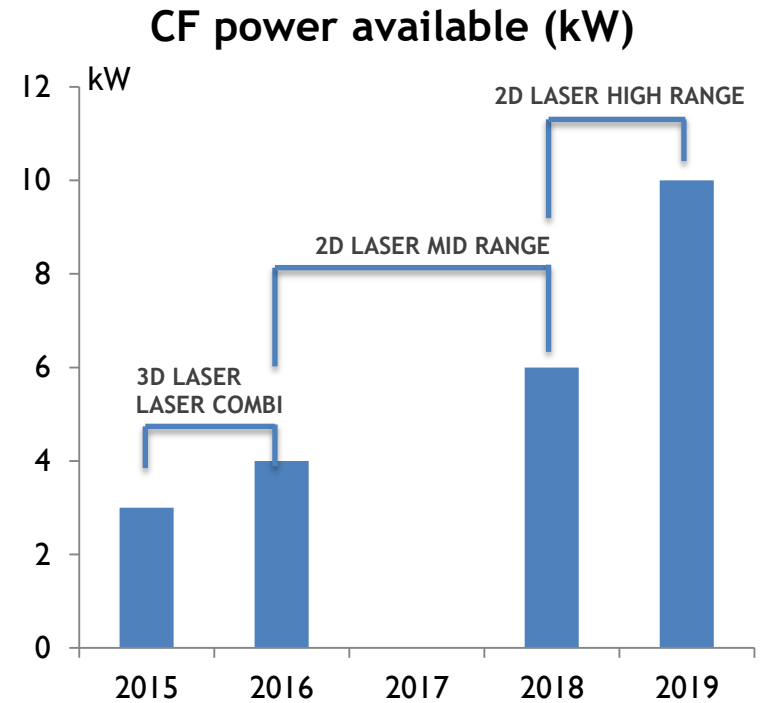
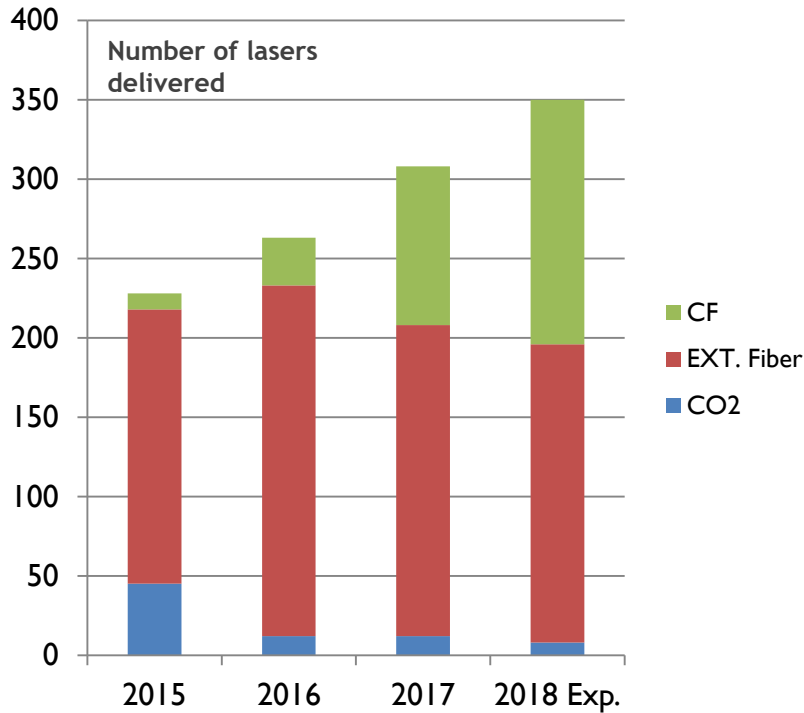


# State-of-the-art laser and electronic technologies





# Focus on CF fiber laser family





# A selection from our 2,000 customers ww



Logos of automotive customers:

- RENAULT
- VOLVO
- Audi
- BMW
- KARSAN
- PROTON
- Ford
- FCA
- 东风汽车公司 DONGFENG MOTOR CORPORATION
- Gonvarri Steel Services
- TATA
- ITALDESIGN
- MAGNA
- SUNGWOO HITECH
- GEELY
- CECOMP
- tiberina
- EDAG
- GESTAMP AUTOMOCION
- Metalsa Quality as a way of life
- GRUPO DOVER SISTEMA DE TROQUELES
- SALZGITTERAG Stahl und Technologie
- ORAN
- 屹豐集團 YI FENG GROUP
- ThyssenKrupp
- COMAU
- premier group ENGINEERING EXCELLENCE
- TESLA



Logos of aerospace and industrial customers:

- AIRBUS
- GE Aviation
- ACE PRECISION
- LOCKHEED MARTIN
- BOEING
- SAFRAN Snecma
- Honeywell
- Kale Pratt & Whitney
- Pratt & Whitney A United Technologies Company
- WSK „PZL-Rzeszów” S.A.
- Avio Aero A GE Aviation Business
- TurboCare
- mitsubishi
- Solar Turbines A Caterpillar Company
- Paradigm Precision
- DONCASTERS
- NORTHROP GRUMMAN
- HITACHI Inspire the Next
- STEMAC GRUPOS GERADORES
- ABB
- SIEMENS
- GE Oil & Gas
- HIMOINSA
- HYUNDAI
- EMERSON
- Liebert.
- AREVA
- Kawasaki
- Joint Stock Company "KALUGATURBINE WORKS"





# A selection from our 2,000 customers ww



ELECTRICAL & VENDING EQUIP.  
- OTHERS







# Innovation

- ▶ 5÷6% OF REVENUES INVESTED IN R&D
- ▶ RANKED BY EU IN THE TOP 500 KNOWLEDGE-BASED COMPANIES IN THE CONTINENT
- ▶ LONG HISTORY OF INNOVATION, 1ST LASER MACHINE FOR AUTOMOTIVE APPLICATION IN 1979
- ▶ PIONEERS IN SERVO-ELECTRIC PUNCHING AND BENDING SYSTEMS- EFFICIENCY AND SUSTAINABILITY
- ▶ ABOUT 15% OF GROUP STAFF EMPLOYED IN R&D
- ▶ PRODUCT RANGE ALWAYS AT THE CUTTING EDGE OF TECHNOLOGY





# Industry 4.0

Prima Power Solutions  
for Industry 4.0 and  
Smart Manufacturing



Ready for today's  
production needs...  
and for tomorrow



## INTELLIGENT MACHINES & FACTORIES

Intelligent machines and automated factories collecting real-time and historical data through sensors and cameras



## SMART SOFTWARE

Prima Power software comprehensive portfolio of modular software-based systems



## REMOTE DIAGNOSTICS & MAINTENANCE

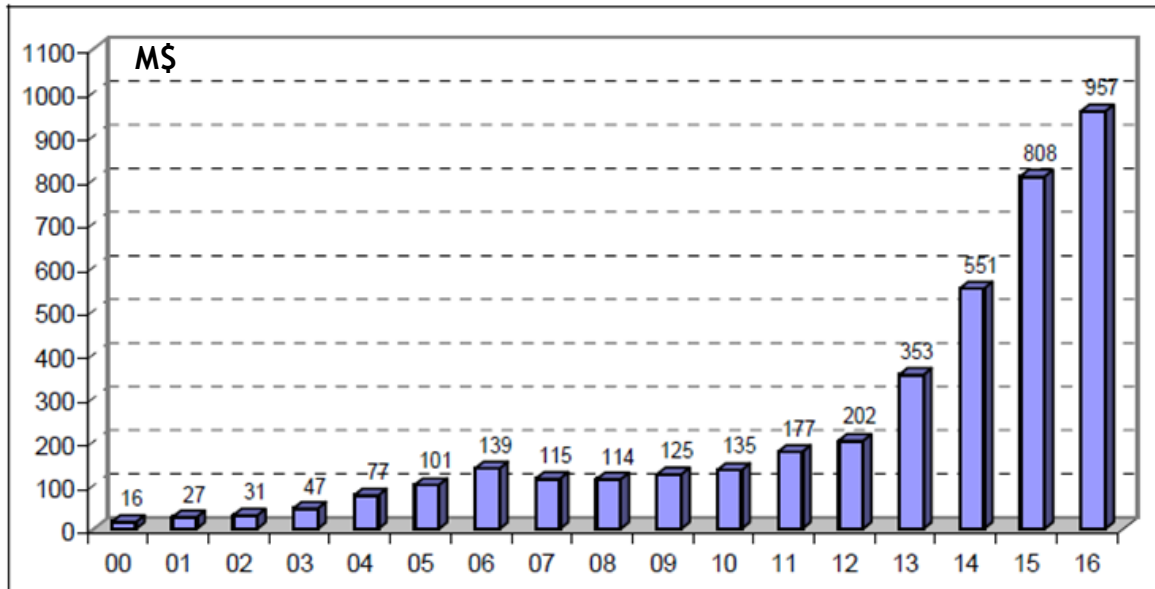
Data-driven machine diagnostics and predictive maintenance services. Production performance analysis, monitoring of machines status and condition.



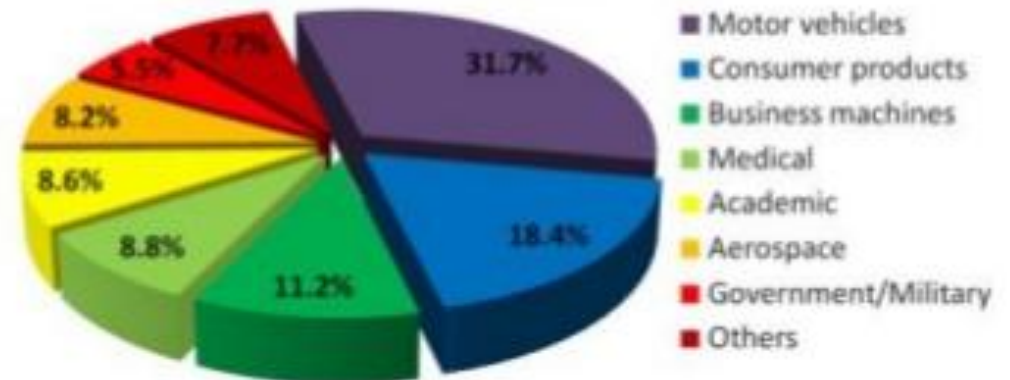
# New Additive Manufacturing division



## Metal Additive manufacturing systems



Adoption of Rapid Prototyping in respective industries

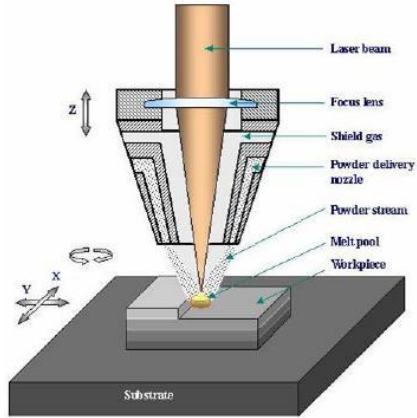




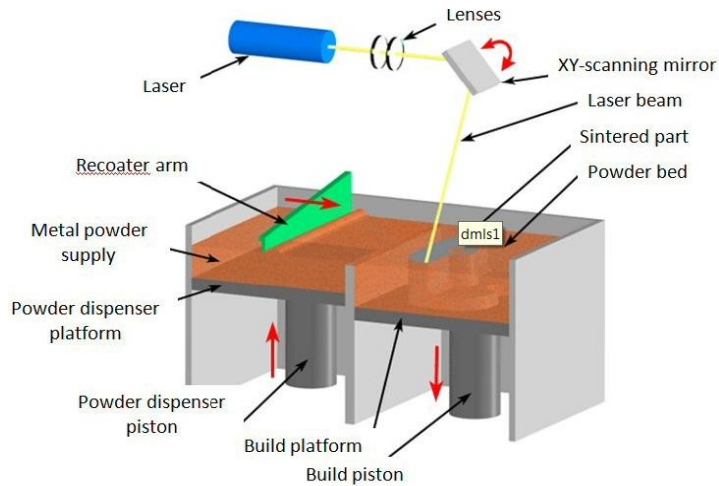
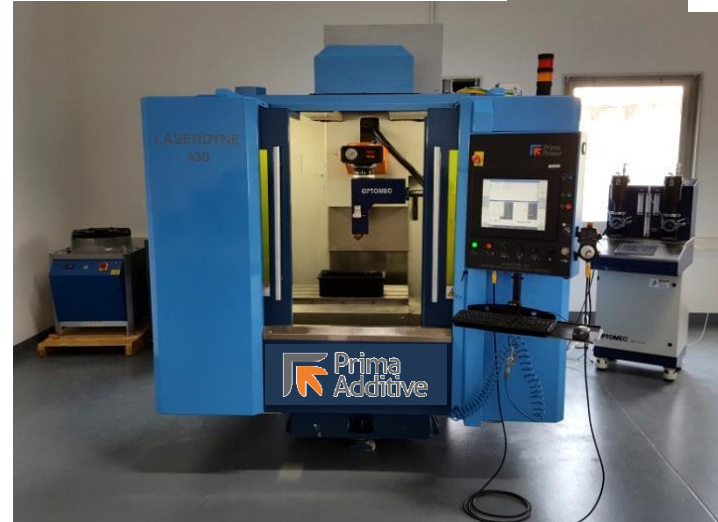
# New Additive Manufacturing division



## Metal Additive manufacturing main technologies



Direct energy deposition - LENS



Powder bed fusion







# Financial statements as at Dec. 31, 2017:

## Balance sheet

Values in Euro	31/12/2017	31/12/2016
Property, plant and equipment	35.627.751	35.281.369
Intangible assets	149.603.479	155.713.399
Investments accounted for using the equity method	-	1.009.341
Other investments	355.004	139.051
Non current financial assets	9.578	9.578
Deferred tax assets	11.340.432	11.555.324
<b>NON CURRENT ASSETS</b>	<b>196.936.244</b>	<b>203.708.062</b>
Inventories	113.035.328	98.561.165
Trade receivables	113.649.234	88.376.748
Other receivables	8.018.722	6.425.617
Current tax receivables	9.380.123	5.053.888
Derivatives	57.536	-
Financial assets	791.509	791.509
Cash and cash equivalents	70.520.659	62.679.901
<b>CURRENT ASSETS</b>	<b>315.453.111</b>	<b>261.888.828</b>
Assets held for sale	1.111.136	318.812
<b>TOTAL ASSETS</b>	<b>513.500.491</b>	<b>465.915.702</b>

Values in Euro	30/09/2017	31/12/2016
Capital stock	26.208.185	26.208.185
Legal reserve	4.652.958	4.565.082
Other reserves	69.311.022	70.738.752
Currency translation reserve	1.360.295	6.848.598
Retained earnings	27.620.077	19.276.926
Net result	18.515.392	10.102.304
<i>Stockholders' equity of the Group</i>	<i>147.667.929</i>	<i>137.739.847</i>
<i>Minority interest</i>	<i>1.285.839</i>	<i>1.212.065</i>
<b>STOCKHOLDERS' EQUITY</b>	<b>148.953.768</b>	<b>138.951.912</b>
Interest-bearing loans and borrowings	98.396.076	111.675.762
Employee benefit liabilities	7.693.863	8.100.353
Deferred tax liabilities	5.997.482	8.340.653
Provisions	172.119	162.684
Derivatives	80.445	220.866
<b>NON CURRENT LIABILITIES</b>	<b>112.339.985</b>	<b>128.500.318</b>
Trade payables	110.465.363	88.448.383
Advance payments	43.620.216	26.029.170
Other payables	24.950.838	22.076.067
Interest-bearing loans and borrowings	42.524.711	34.894.444
Current tax payables	6.071.926	7.695.264
Provisions	24.573.684	18.424.370
Derivatives	-	895.774
<b>CURRENT LIABILITIES</b>	<b>252.206.738</b>	<b>198.463.472</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>513.500.491</b>	<b>465.915.702</b>



# Financial statements as at Dec. 31, 2017: P & L

Values in Euro	31/12/2017	31/12/2016
Net revenues	449.503.244	393.885.774
Cost of goods sold	(340.096.252)	(297.902.746)
<b>GROSS MARGIN</b>	<b>109.406.992</b>	<b>95.983.028</b>
Research and Development costs	(12.563.644)	(10.932.964)
Sales and marketing expenses	(29.630.518)	(27.903.449)
General and administrative expenses	(24.034.482)	(21.737.648)
<b>OPERATING GROSS MARGIN (EBITDA)</b>	<b>43.178.348</b>	<b>35.408.967</b>
<i>of which: non recurring items</i>	<i>(1.885.086)</i>	<i>(725.313)</i>
Impairment - Write-off	(23.299)	(1.027.682)
Depreciation	(16.858.918)	(15.853.684)
<b>OPERATING PROFIT (EBIT)</b>	<b>26.296.131</b>	<b>18.527.601</b>
<i>of which: non recurring items</i>	<i>(1.908.385)</i>	<i>(1.752.995)</i>
Financial income	2.760.000	626.831
Financial expenses	(6.786.647)	(8.507.194)
Net exchange differences	(2.973.478)	(349.409)
Net result of investments accounted for using the equity method	-	1.057.207
Net result of other investments (*)	2.555.677	(7.729)
<b>RESULT BEFORE TAXES (EBT)</b>	<b>21.851.683</b>	<b>11.347.307</b>
<i>of which: non recurring items</i>	<i>521.291</i>	<i>(703.517)</i>
Taxes	(3.183.842)	(1.187.184)
<b>NET RESULT</b>	<b>18.667.841</b>	<b>10.160.123</b>
- Attributable to Group shareholders	18.515.392	10.102.304
- Attributable to minority shareholders	152.449	57.819
<b>RESULT PER SHARE - BASIC (in euro)</b>	<b>1,77</b>	<b>0,96</b>
<b>RESULT PER SHARE - DILUTED (in euro)</b>	<b>1,77</b>	<b>0,96</b>

(\*) It must be outlined that this figure includes a financial gain deriving from EPS SA sale of share for 2.560 thousand euro. In the Balance Sheet the EPS SA investment is classified in the Assets held for sale.



# Highlights from financial statements as at Mar. 31, 2018

Values in €/thousand	ACT 31.03.18	ACT 31.03.17	Change	Change %
Order Intake	120.510	112.242	8.268	7,4%
Backlog	192.488	164.150	28.338	17,3%
Revenues	95.534	89.483	6.051	6,8%
EBITDA	6.329	6.278	51	0,8%
EBITDA%	6,6%	7,0%	(0,4%)	-
EBIT	2.243	1.979	264	13,3%
EBIT%	2,3%	2,2%	0,1%	-
Net Result	4.659	770	3.889	505,3%
FCF	(20.910)	(16.426)	(4.484)	27,3%
Net Financial Position	(84.659)	(101.122)	16.463	16,3%
Headcount	1.812	1.702	110	6,5%

(% calculated over the revenues)

(headcount in units)

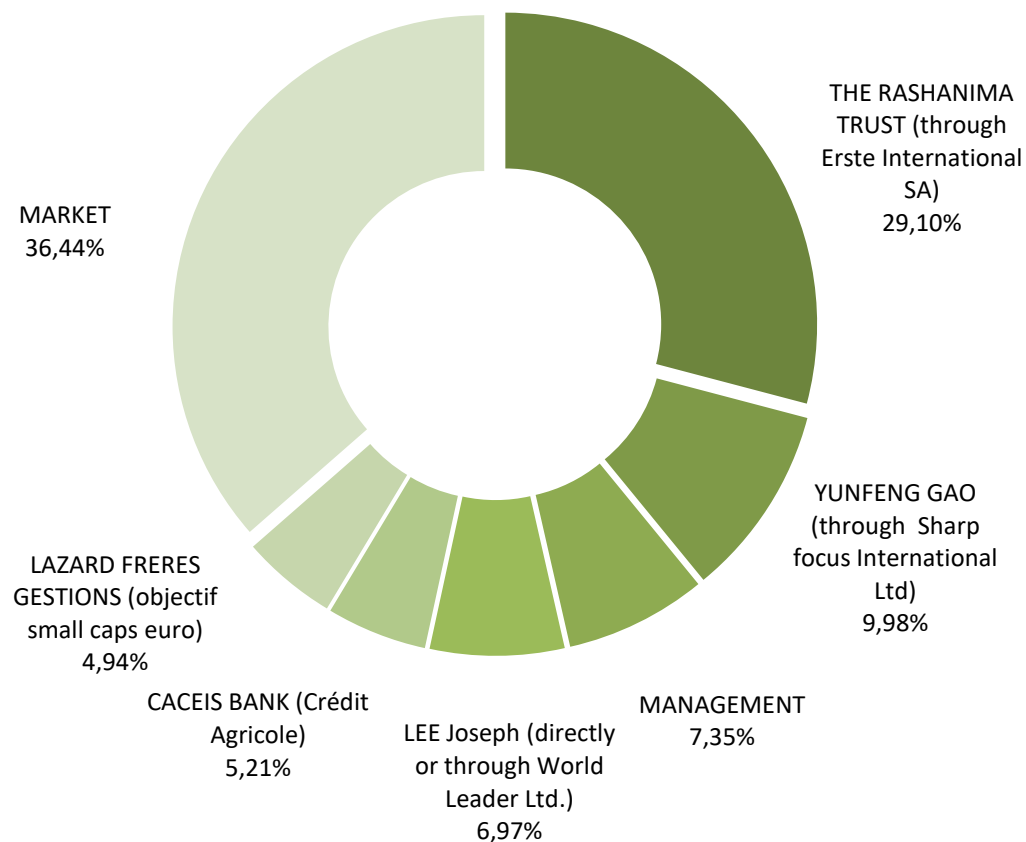
Values in €/thousand	ACT 31.03.18	ACT 31.03.17	Change	Change %
Revenues constant FX	99.628	89.483	10.145	11,3%
EBITDA adj	6.912	6.278	634	10,1%
EBITDA adj %	7,2%	7,0%	0,2%	-
EBIT adj	3.135	1.979	1.156	58,4%
EBIT adj %	3,3%	2,2%	1,1%	-

(% calculated over the revenues)

- Revenues up +11,3% at constant exchange rates
- Prima Electro recovery in revenues and margins
- EBIT (adjusted) improvement (+58%)
- Sustained Net Profit growth thanks to EPS gain but negatively affected by refinancing costs



# Shareholding structure







THANK YOU !



OLYMPIC TORCHES MADE BY CUSTOMERS WITH PRIMA LASER MACHINES