

**ready to go.**  
**ALWAYS**



**4TH ITALIAN MID CAP CONFERENCE**  
**19-20 January 2022**



WHO WE ARE

# International Group with 8 manufacturing plants in 3 continents



**Listed on Borsa Italiana (Euronext) since 1999**

**Focus on innovation**  
(5%+ yearly investment in R&D)

Direct presence in **30 countries**

**Large installed base in 80 countries**  
and significant share (30%)  
of revenues from **after-sale services**

**Commitment to ESG values**  
("green" machines, sustainable factories,  
diversity, gender equity, business ethics)

## Company structured on 4 Business units

Machinery, Automation & Software



Additive Manufacturing Solutions



Industrial Electronics



Laser Sources



# PRODUCT RANGE

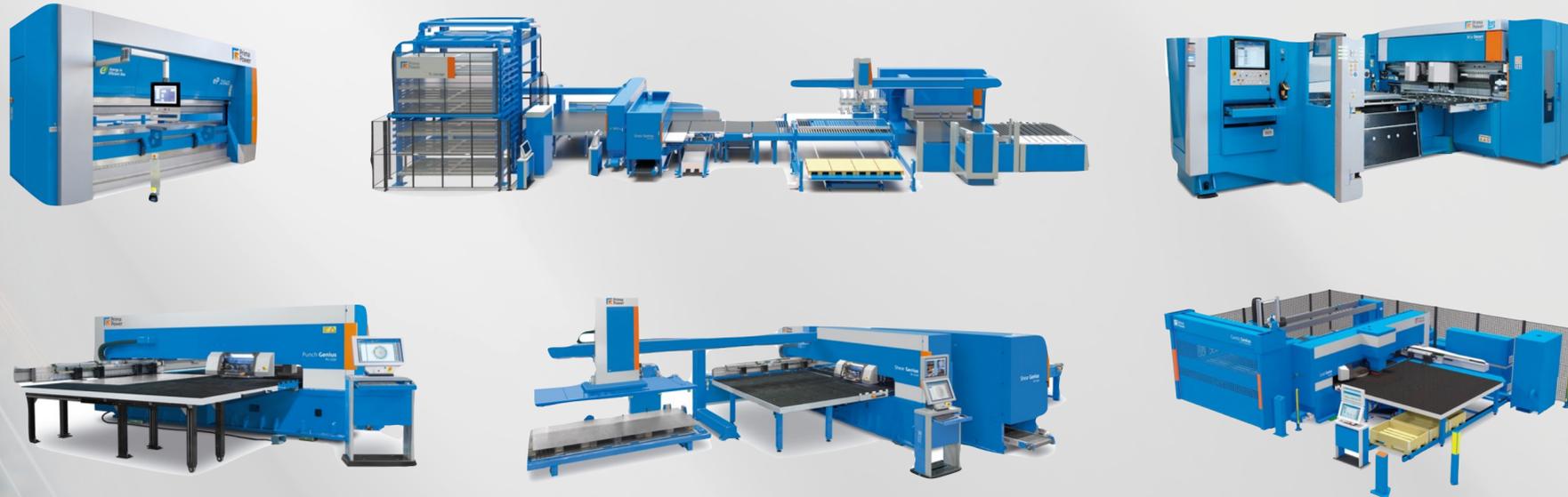
## LASER MACHINES



## ADDITIVE MANUFACTURING



## SHEET METAL PROCESSING MACHINES & SYSTEMS



## AUTOMATION AND STORAGE



## ELECTRONICS



## LASER SOURCES



## SERVICES



## SOFTWARE



**WHO  
WE  
ARE**

A leader in **laser** and **sheet-metal**  
**fabrication machines** and **systems**



1



3



5



2



4



6



7



8

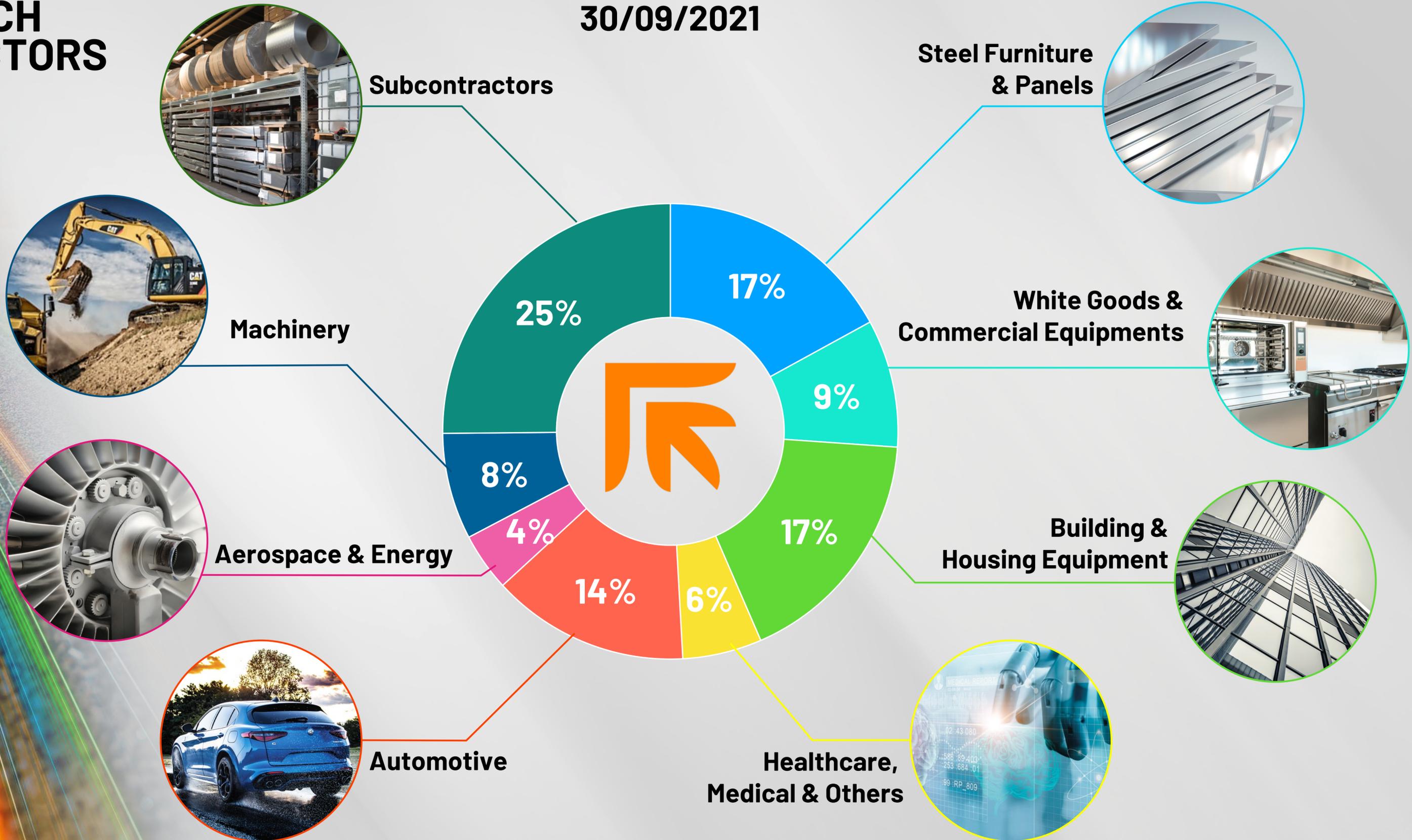


9

Strong know-how in  
**mechatronics, opto-electronics,**  
**automation** and **software**

# IN WHICH SECTORS

## High-standing customer base in a wide range of industrial sectors 30/09/2021



# SELECTION OF MAIN CUSTOMERS

## AUTOMOTIVE

Logos of automotive companies: FCA (FIAT CHRYSLER AUTOMOBILES), STELLANTIS, BMW, TATA, GEELY, RENAULT, Ford (Go Further), KIRCHHOFF AUTOMOTIVE, KYMCO, MAGNA, and GESTAMP AUTOMOCION.

## AEROSPACE

Logos of aerospace companies: AIRBUS, GE Aviation, Avio Aero (A GE Aviation Business), Lufthansa Technik, Pratt & Whitney (A United Technologies Company), SPACEX, SAFRAN (Snecma), BLUE ORIGIN, and Honeywell.

## ENERGY

Logos of energy companies: SIEMENS, Kawasaki, ABB, HYUNDAI, enel, AREVA, SAIPEM, MITSUBISHI HITACHI POWER SYSTEMS, and GE Oil & Gas (Joint Stock Company "KALUGATURBINE WORKS").

## CONSTRUCTION & BUILDING

Logos of construction and building companies: OTIS, ThyssenKrupp, XIOLIFT, Schindler, KONE, Viessmann, Vaillant, DAIKIN, Carrier, systemair, ARISTON THERMO GROUP, and Atlas Copco.

## MECHANICS & MACHINERY

Logos of mechanics and machinery companies: SCANIA, CNH, CAT, VOLVO TRUCKS, BRINK, STILL, YANMAR, NISSAN FORKLIFT, MARINI (FAYAT GROUP), and AVANT (AVANT TECNO OY).

## WHITE GOODS & COMMERCIAL EQUIP.

Logos of white goods and commercial equipment companies: Electrolux, KESSEBÖHMER, Epta, WOLF, Miele, Whirlpool, FRANKE, indesit, imperial, and HAAKON INDUSTRIES.

## ELECTRONICS, MEDICAL & OTHERS

Logos of electronics, medical, and other companies: Apple, FOXCONN, AYSAM (ORTHOPAEDICS & MEDICAL DEVICES), ALSTOM, Eaton, kaizen signs, PILAWA, GMC (GULF METAL CRAFT), BOMBARDIER, and BOMBARDIER.

**WHO  
WE  
ARE**



**2015**

**LASER - PUNCHING -  
Wujiang - Suzhou (CHINA)**



**2019**

**PUNCHING - COMBI - SYSTEMS  
Seinäjoki (FINLAND)**

**5 years** of investments for new efficient and sustainable plants



**2020**

**LASERDYNE - Brooklyn Park - MN (USA)**



**2021**

**2D, 3D LASERS - ADDITIVE  
WW HQ - Collegno - TO (ITALY)**

**WHO  
WE  
ARE**



**PANEL BENDERS - PRESS BRAKES**  
Cologna V.ta - VR (ITALY)



**SALES & SERVICE**  
Munich (GERMANY)



**North America HQ -**  
Arlington Heights - IL (USA)

**100.000 m<sup>2</sup> of plants and offices around the world**



**LASER - ELECTRONIC SYSTEMS**  
Barone C.se - TO (ITALY)



**ELECTRONICS - Moncalieri - TO**  
(ITALY)



**CONVERGENT LASERS**  
Chicopee - MA (USA)

# MACHINE TOOL WORLD MARKET

USD/Bln

80

60

40

20

0

1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

**SECULAR GROWTH**  
 WITH RELEVANT CYCLICALITY  
 "UP-PERIOD" of 7-8 years  
 "DOWN-PERIOD" of 2-3 years

**1992**  
 FIRST GULF WAR



**2001**  
 SEPTEMBER 11



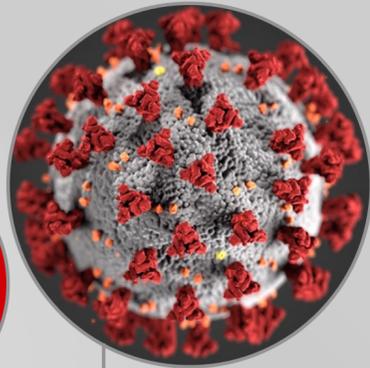
**2008**  
 SUBPRIME  
 FINANCIAL CRISIS



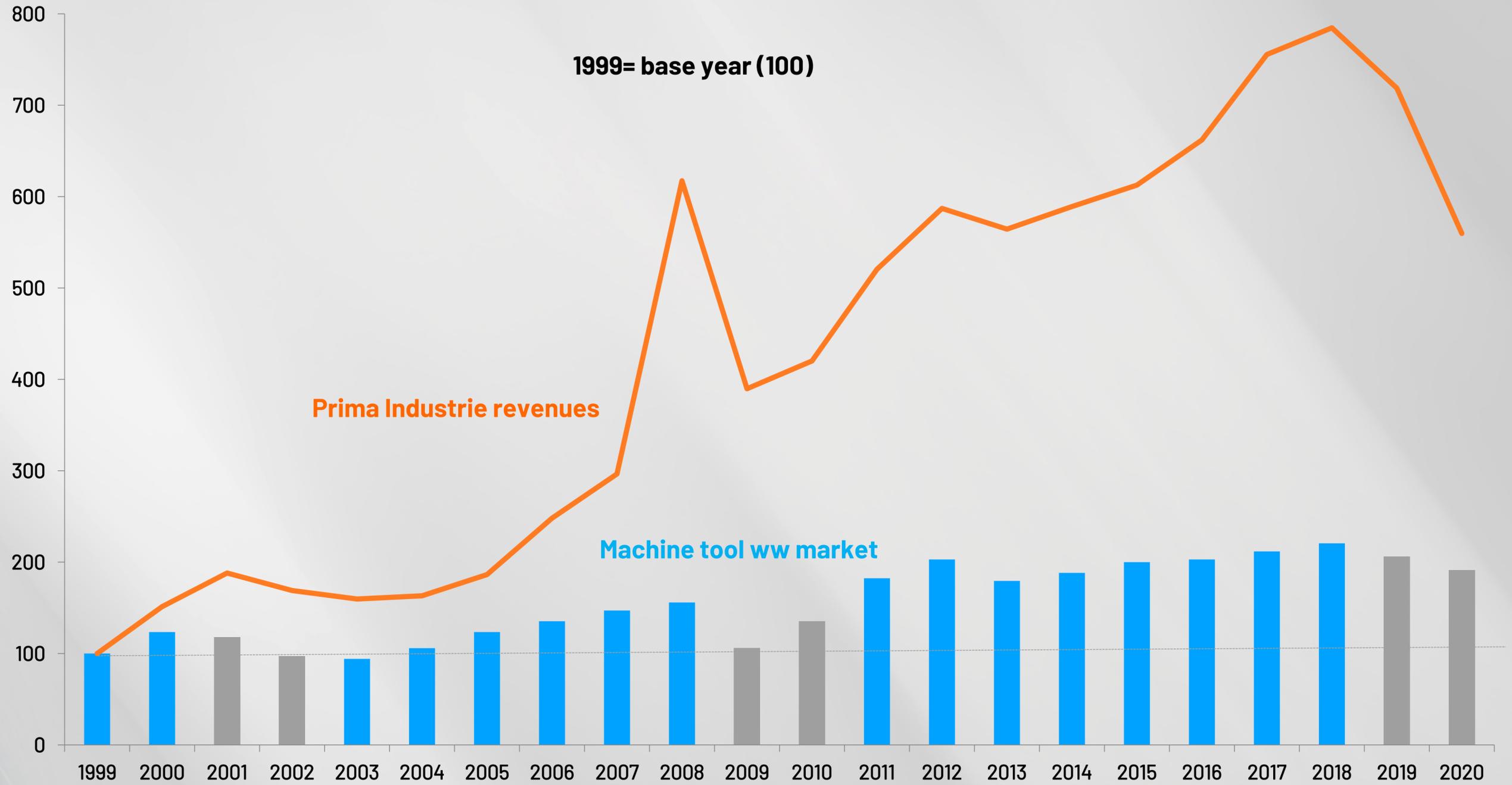
**2018**  
 AUTOMOTIVE  
 REVOLUTION  
 +  
 TRADE WAR



**2020**  
 COVID 19



# PI vs MACHINE TOOL MARKET



**WHAT'S NEXT ?**

# EXTERNAL MARKET RESEARCH

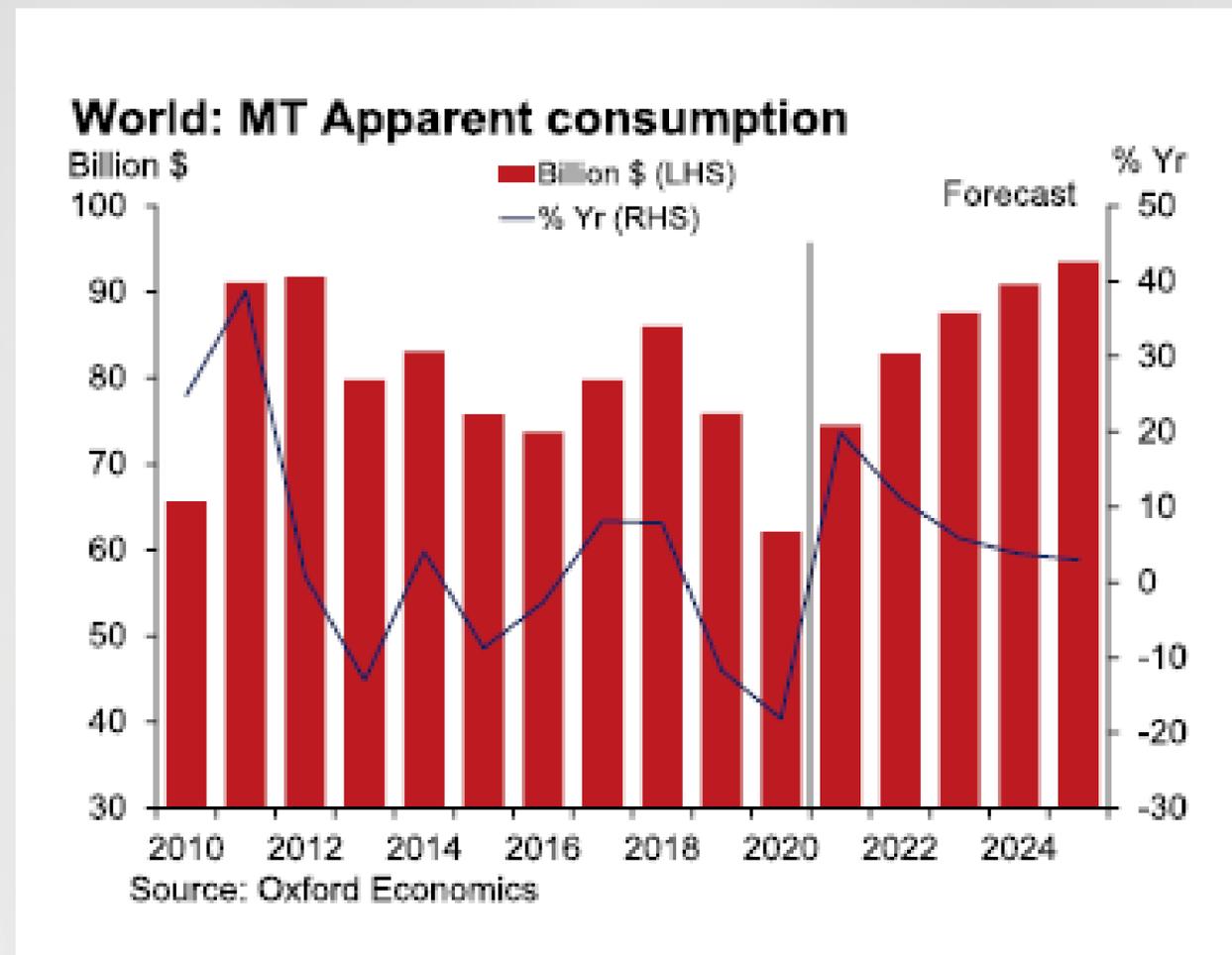


- ✓ **Global industry has recovered strongly from the pandemic.**
- ✓ **However, the recovery has encountered headwinds from material and component shortages as well as transportation bottlenecks, with several sectors not able to increase production fast enough to accommodate the strong rebound in demand.**
- ✓ **We expect the easing in supply chain disruptions will be gradual, with capacity remaining tight and price pressures firm for the rest of this year. Rebuilding inventories and clearing backlogs will take time.**
- ✓ **Many of the key MT (Machine Tool) purchasing industries performed relatively well during H1 2021, with output and investment growth revised higher in 2021 and 2022.**
- ✓ **A number of countries have seen strong increases in MT imports as well as domestic orders, which will support future growth as supply disruptions gradually ease.**
- ✓ **We forecast global MT consumption will rebound by 16.3% in 2021 and 11.1% in 2022.**
- ✓ **Europe, Asia and the Americas have all seen forecast upgrades. Despite the forecast upgrade, we remain cautious about the outlook. The spread of the Delta variant and persistent chip shortages are the key risks.**

Global Industry								
Annual percentage changes unless specified								
	% of GDP (2020)	2019	2020	2021	2022	2023	2024	2025
GDP	100	2.6	-3.5	5.8	4.7	3.4	2.9	2.7
Industrial Production	22.5	0.9	-4.5	7.3	4.7	4.0	3.3	2.9
Manufacturing	17.4	2.2	-2.6	8.7	4.8	3.9	3.3	2.8
Aerospace	0.3	3.1	-19.5	10.1	8.9	7.6	5.8	4.3
Basic metals	1.1	4.6	-1.1	6.9	1.5	2.7	2.3	2.0
Electrical/Electronic engineering	0.8	5.4	5.2	13.3	5.6	5.8	4.8	4.4
General purpose machinery	0.9	1.2	-2.5	12.2	4.7	4.1	3.2	2.6
Metal products	1.0	1.0	-4.6	10.8	4.0	2.8	2.1	1.5
Motor vehicles & parts	1.2	-1.1	-12.2	10.3	8.7	3.5	2.5	1.8
Other means of transport	0.3	5.6	-3.7	6.2	6.1	5.2	4.4	3.5
Precision and optical instruments	0.4	0.3	-5.1	10.4	5.5	3.7	3.2	2.8
Special purpose machinery	2.0	1.2	-2.1	14.7	3.9	4.5	3.6	2.9
Utilities	2.4	2.1	-0.3	4.7	4.0	2.4	2.3	2.1
Extraction	2.6	1.2	-5.4	2.2	3.5	2.4	1.5	1.1
Construction	5.4	1.7	-4.6	6.9	5.4	4.2	3.4	2.9

Source: Cecimo/Oxford Economics – October 2021

# EXTERNAL MARKET RESEARCH



Overview table						
% change						
	2020	2021	2022	2023	2024	2025
<b>Apparent consumption</b>						
World	-14.8	16.3	11.1	5.8	3.8	2.9
Americas	-18.1	23.8	16.0	6.2	2.2	1.3
Asia	-11.6	16.3	7.9	5.4	4.6	3.6
Europe	-20.2	10.9	15.3	6.5	3.1	2.3

Source: Cecimo/Oxford Economics - October 2021

## Worldwide machine tool consumption



Source: elaboration by UCIMU on data from Oxford Economics, ITC, Gardner, national associations



# TRADING UPDATES

## ORDER ACQUISITION 2021

503 M€

+56% (vs 2020)

+23% (vs 2019)

- **+75% new machines** vs 2020
- **+15% after sales** vs 2020

## REVENUES 2021

(preliminary)

406 M€

- **+22% Y/Y**

## BACKLOG 1/1/22

215 M€

- **+72% Y/Y**

The background features a long, straight road stretching into the distance under a clear sky. The road is overlaid with vibrant, multi-colored light trails in shades of orange, green, and blue, suggesting motion and technology. The overall aesthetic is clean and modern.

# UPDATES & TRENDS

## Prima Industrie Group benefits from three factors of resilience

- 1** a strong geographical distribution worldwide
- 2** a high diversification of industries served, which are impacted by different cyclicity and diversified macro trends
- 3** an important share of revenues coming from after sales activities (approx. 30%), which represent a stable source of sales linked to high number of machines installed



# RECENT UPDATES & DIGITALIZATION



**1** Creation of the "PRIMA@HOME" platform

**2** Remote care

**3** Digitalization of processes

**4** ESG factors

**5** Financial sustainability

# 1 - CREATION OF THE "PRIMA@HOME" PLATFORM

- **New digital channel Prima @ Home: projecting the Group's communication beyond geographical borders and barriers.**
- **Prima @ Home is the new Prima Industrie streaming platform, designed to offer a complete range of services: from **live formats** such as **events, demos, webinars, presentations and training courses, live video demonstrations** of the Group's products, passing through the "**on demand**" streaming of numerous contents**



## 2 - REMOTE CARE



Prima Power offers customers a leading edge technology: **Remote Care service.** In case of unexpected alarms, thanks to Prima Power remote care, alarms can be **diagnosed and fixed remotely.**

When customer's machine is stopped, with remote monitoring tools it is possible to speed up troubleshooting and make sure that your machine is again up and running.

### **Augmented reality: innovative remote assistance**

The customer's technicians, equipped with smartphones or tablets, can communicate remotely and share video images in real time with our experts.

### **Mixed reality assistance: virtual view**

Technological glasses which allow physical reality to interact with holograms. Thanks to proprietary applications loaded on these glasses, Prima Power applies the enormous potential of mixed reality to remote assisted training and maintenance activities.

### 3 - DIGITALIZATION OF PROCESSES

- ✓ In recent years, the Group has increased the digitization of its business processes, both internal and aimed at relations with customers and other relevant stakeholders.
- ✓ The 2020 pandemic has accelerated this process
- ✓ The digitalization involved all the main processes:



- ✓ **People:** smartworking increased, making devices and instruments available to connect a high number of employees;
- ✓ **Sales processes:** SalesForce, from marketing campaigns to management of the whole selling process (including Project mgt and Accounting dpt);
- ✓ **After sales:** Prima Service Tool, allowing real time intervention through accessing data necessary for the installation and maintenance of the machine, reducing unexpected stops.





**Growing commitment to sustainability and ESG targets**

**Machines and plants increasingly environment friendly**

**Particular attention to human resources representing a fundamental asset for the future of the Group (smart working, diversity, training, talent retention)**

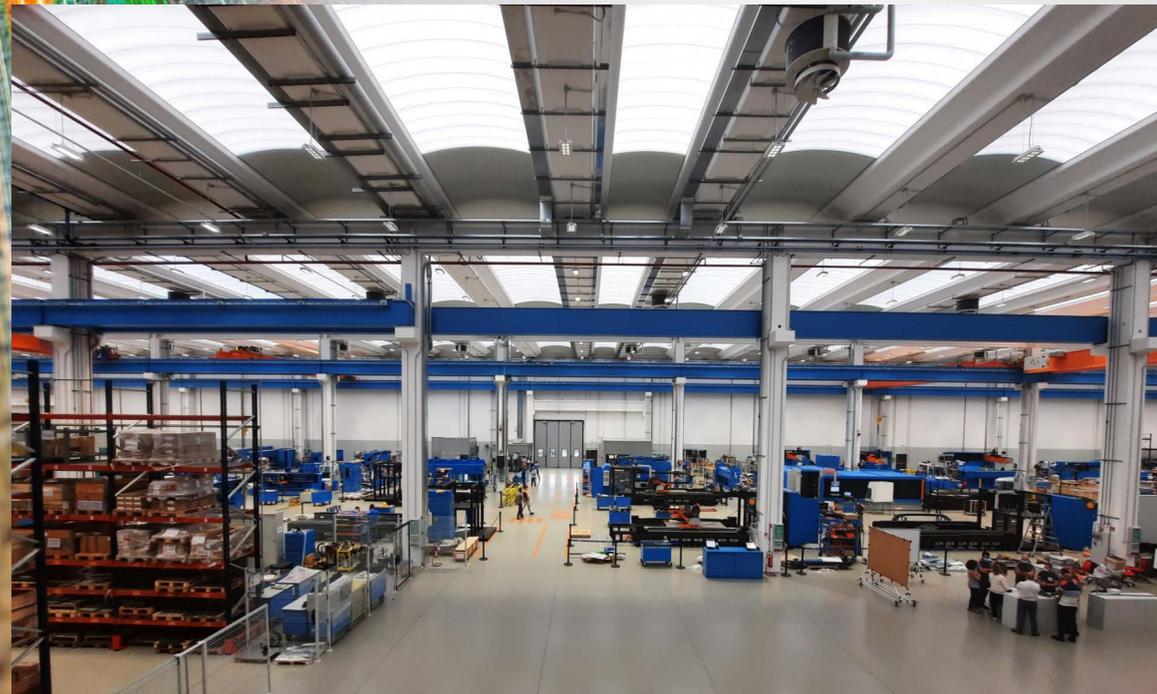
# 4 - ESG FACTORS NEW MANUFACTURING PLANT



**400** people  
**20,000** sqm area



**Total investment since 2016: 25 million euros.**



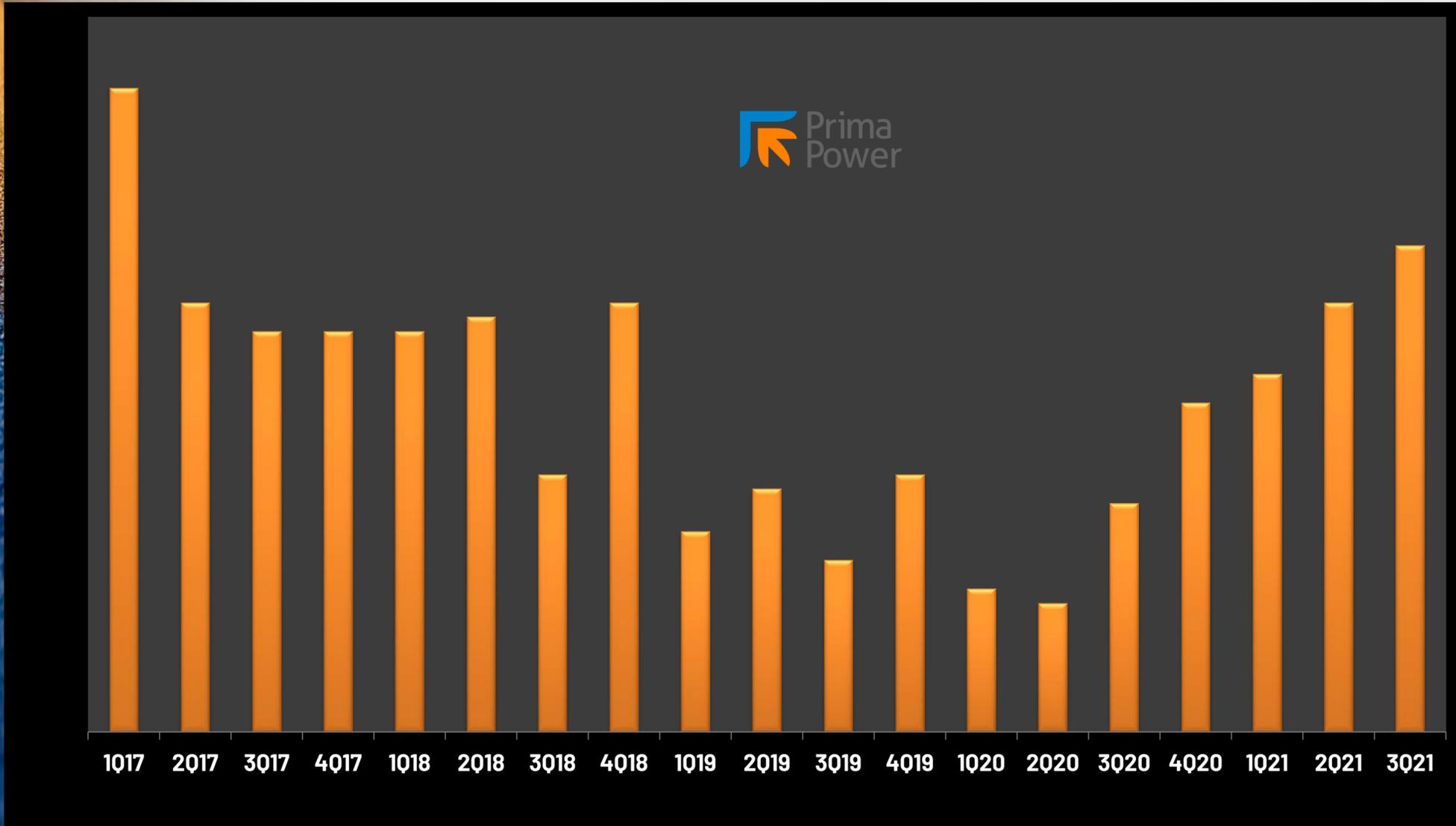
**Buildings with high environmental sustainability, equipped with photovoltaic panels, geothermal energy and home automation.**

# 5 - FINANCIAL SUSTAINABILITY

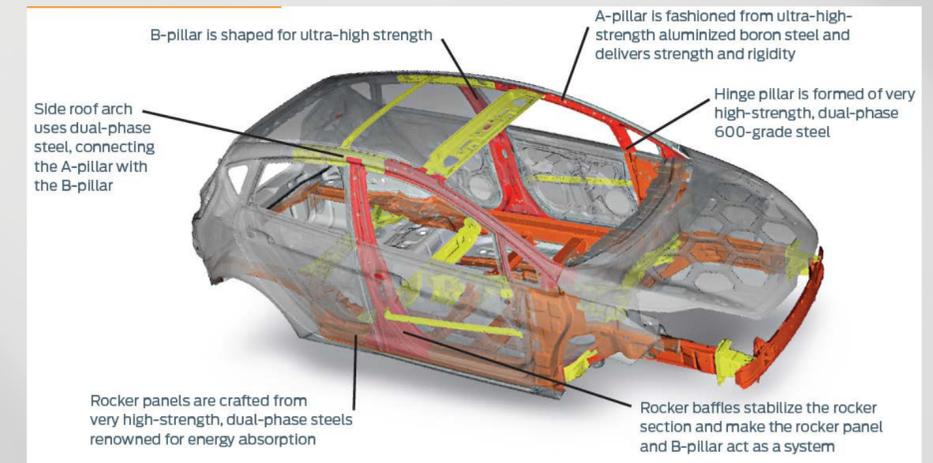
- ✓ **No liquidity issues throughout the crisis**
- ✓ **In an uncertain moment at the beginning of the pandemic, the Group negotiated additional credit lines (unsecured) as a precaution**
- ✓ **Despite the additional credit lines obtained, the Group paid particular attention to the management of working capital and, consequently, reduced the net financial exposure by approximately Euro 11 million to Euro 96.3 million (Including Euro 35.7 million of IFRS 16 impact) in 2020.**

# AUTOMOTIVE MARKET TREND

**ORDER INTAKE TREND**  
**1Q17 - 3Q21**  
**3D LASER MACHINES FOR AUTOMOTIVE (units)**



“Now, two trends in vehicle sales and output are making lightweighting even more important: the sharp rise of SUV and light truck sales growth, and the quickening transition to electric vehicles. These shifts have made it even more important for manufacturers to use lightweight, high-strength materials, for example in reducing fuel consumption in larger vehicles. For electric vehicles, lithium-ion batteries and battery enclosures add significant weight to vehicles, with manufacturers looking to materials across exteriors and interiors to offset this weight.”  
*Automotive Manufacturing solutions 27/09/21*



# AUTOMOTIVE MARKET TREND: ONE EXAMPLE

## ADDITIONAL DOOR APPLICATIONS

Pioneer with the first ever application of this solution made by Plannja Hardtech, (later SSAB Hardtech and then Gestamp), for the Ford F150 pickup in the mid 90's.

The F150 had a small HSS B-pillar inserted in the additional door made in Lulea with our Rapido machine and shipped to Michigan for assembly.

Today ... the «magic doors» of the «500 e 3+1» are made by Prima's 3D machines!

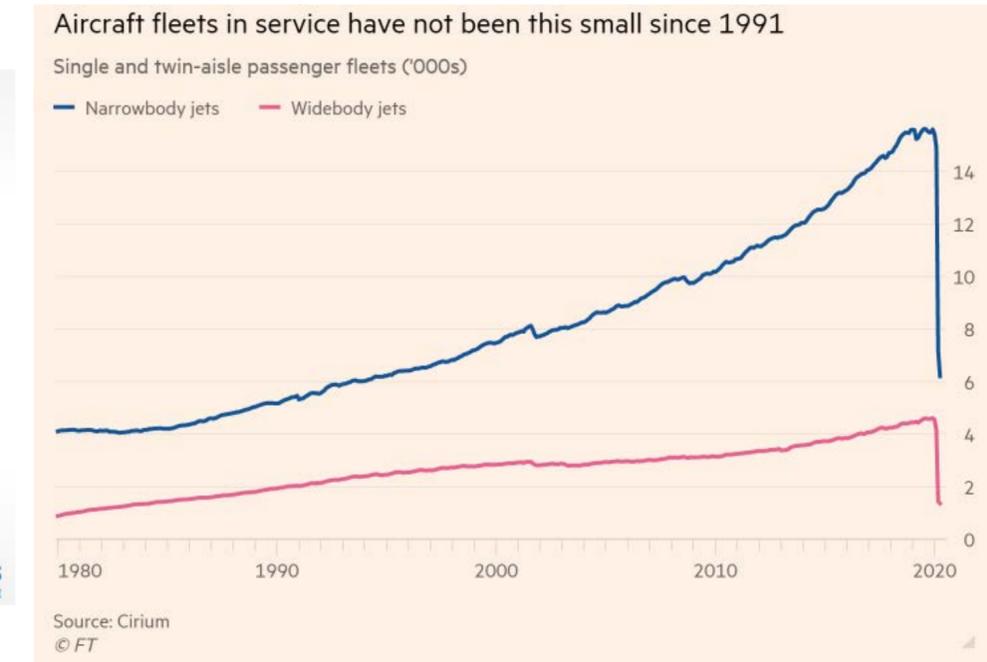
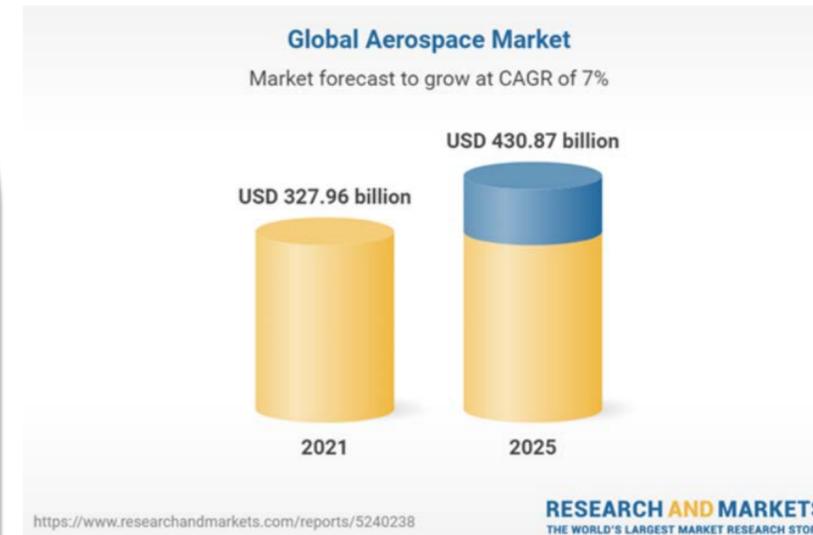


90'S

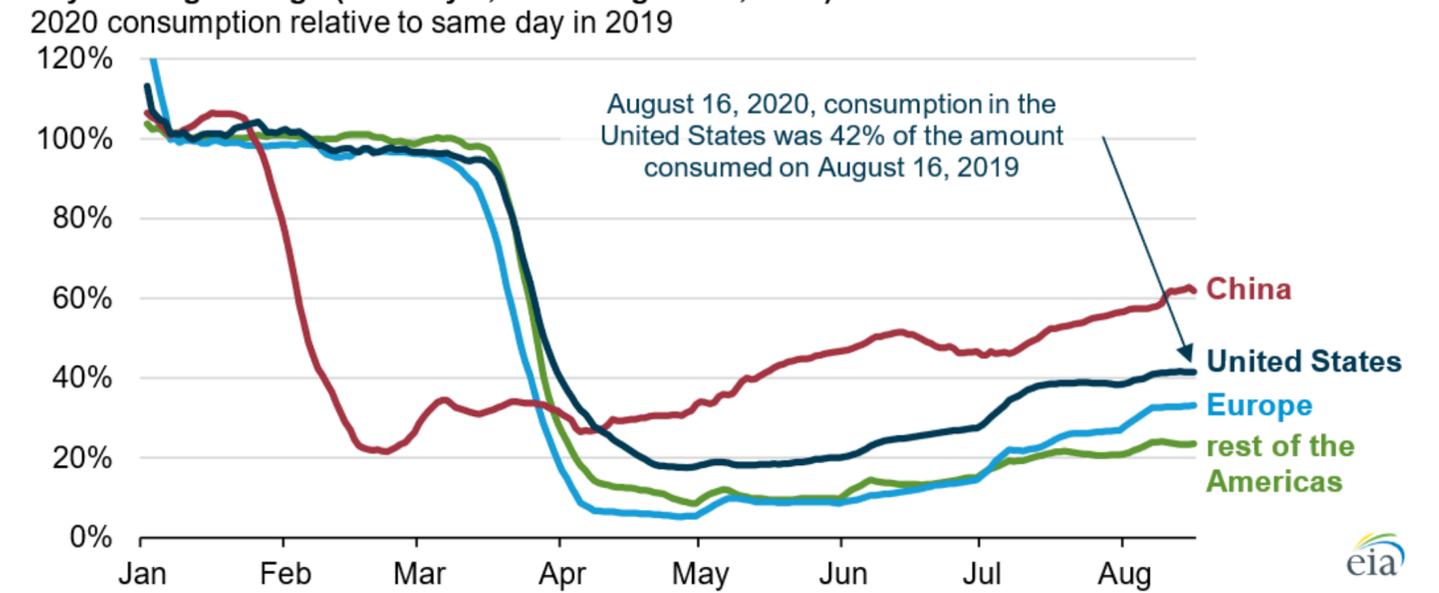
TODAY

# AEROSPACE MARKET TREND

- The pandemic hit hard on the civil aerospace: global air traffic has been brought to an almost complete standstill by the COVID-19 outbreak.
- While there have been other instances of significant drops in air traffic in the past, they have generally been regional. Never have we seen a sustained global collapse of air traffic as we're seeing now because of the travel restrictions necessitated by COVID-19.
- The market is expected to grow from \$298.0 billion in 2020 to \$430.9 billion in 2025 at a rate of 7.7%. The market is then expected to grow at a CAGR of 5.9% from 2025 to 2030.
- The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges.



**Ratio of 2020 jet fuel consumption by commercial passenger jets to 2019 consumption, seven-day moving average (January 1, 2020–August 16, 2020)**

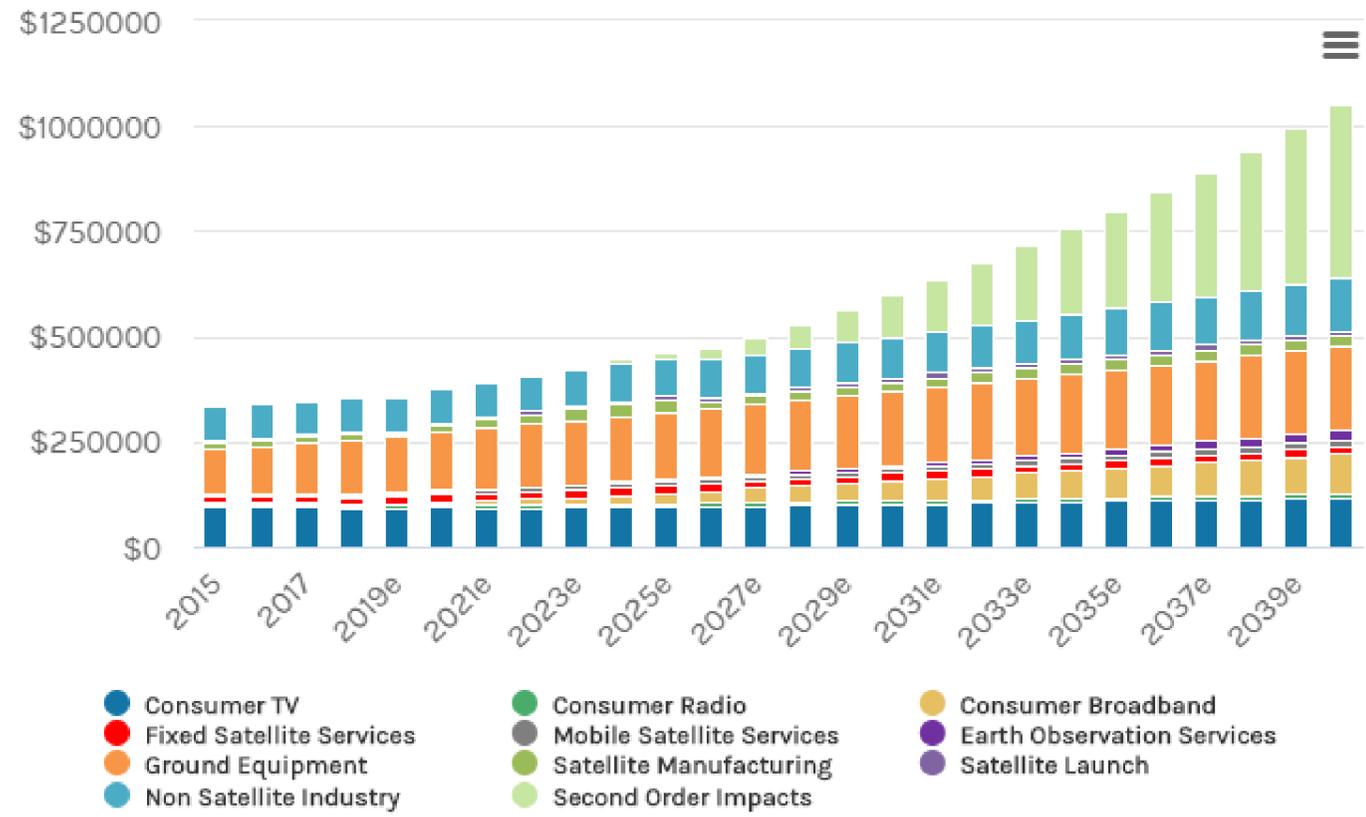


# AEROSPACE MARKET TREND

- Defense aerospace and space economy instead appear to be resilient to the crisis.
- Satellite broadband will represent 50% of the projected growth of the global space economy by 2040,
- Launching satellites that offer broadband Internet service will help to drive down the cost of data, just as demand for that data explodes (driven by autonomous cars, IoT, A.I., VR, video,..)



The Global Space Economy (\$t)



Source: Haver Analytics, Morgan Stanley Research forecasts

# URBANIZATION TREND

**Urbanization remains a major demographic trend across much of the world, though urban centers have been reinvented by changes the pandemic brought in how people live and work in cities.**

**This future growth will provide a continuous and increasing request of public and private infrastructure**

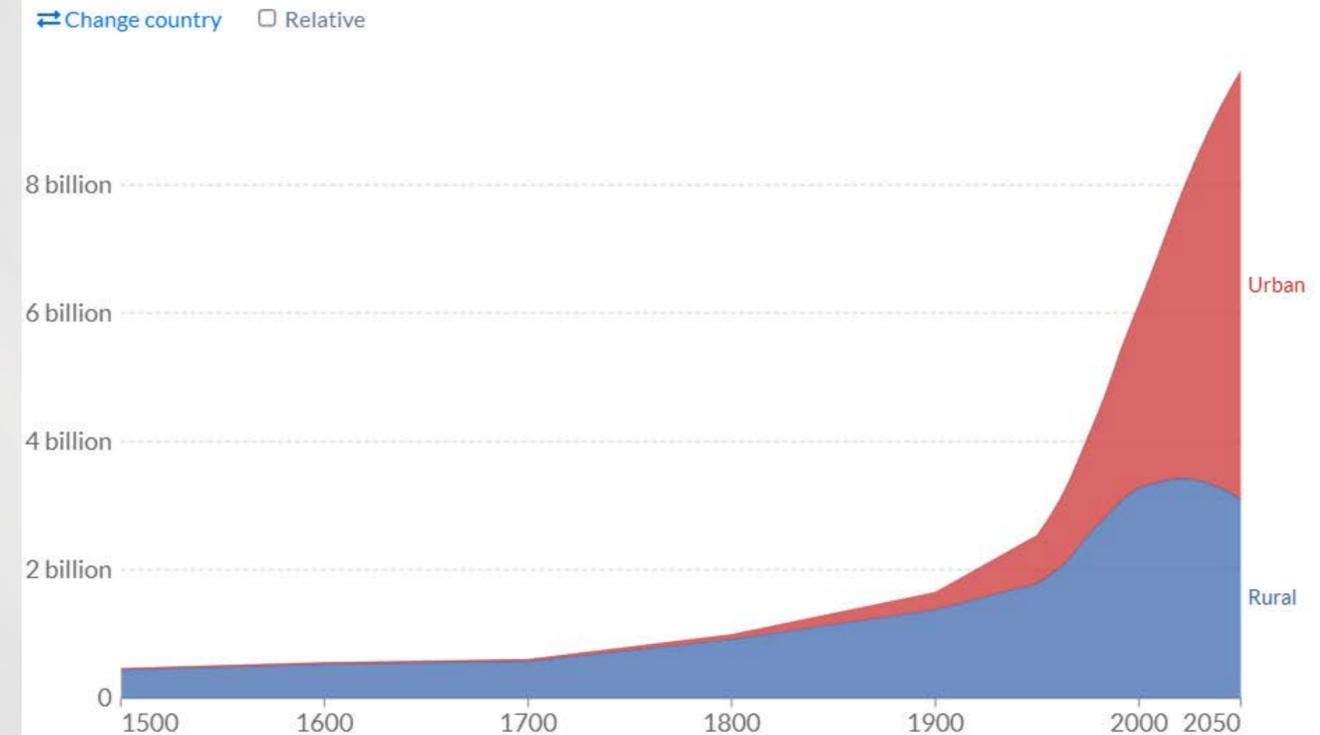
**Building sub-segment impacted:**

**ELEVATORS  
ESCALATOR  
STEEL DOOR  
PANELS  
HVAC**

Urban and rural population projected to 2050, World, 1500 to 2050

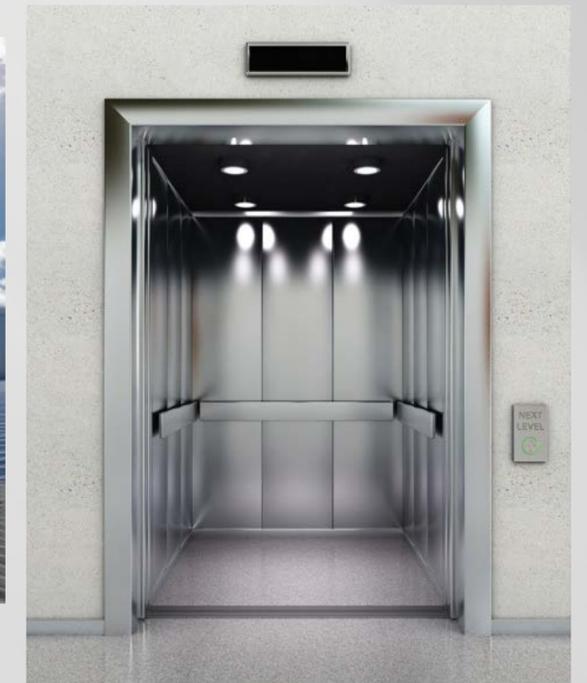
Total urban and rural population, given as estimates to 2016, and UN projections to 2050. Projections are based on the UN World Urbanization Prospects and its median fertility scenario.

Our World  
in Data



Source: OWID based on UN World Urbanization Prospects 2018 and historical sources (see Sources)

CC BY



# HVAC SECTOR

## Heating equipment

Heating equipment is an essential part of warming and keeping buildings in a particular temperature.

## Ventilation equipment

The goal of ventilation process is to replace indoor air with fresh air and control the moisture. It also helps in maintaining the internal temperature, delivers oxygen while preventing the entry of dust and contaminants.

## Cooling equipment

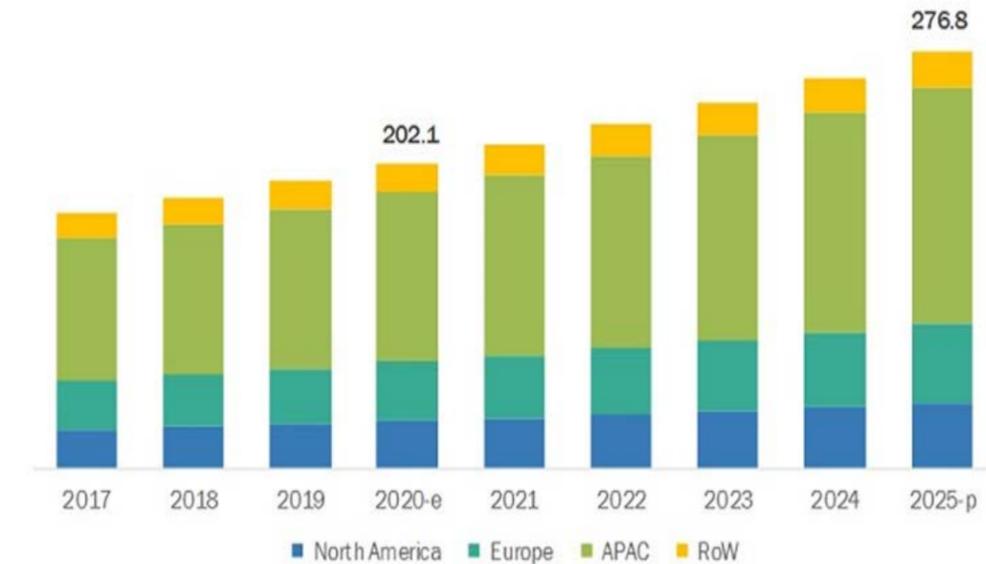
Cooling systems are used to lower the temperature and to control humidity. Cooling equipment is segmented into unitary air conditioners, VRF systems, chillers, room air conditioners, coolers, and cooling towers



## Drivers

- Environmental sustainability
- Population growth
- People moving to cities
- Customer demands
- Global warming
- Technology improvements

HVAC SYSTEM MARKET, BY REGION (USD BILLION)



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Note: e = Estimated Year and p = Projected Year





# RESULTS & BUSINESS PLAN

### REPORTED HIGHLIGHTS

Values in Euro thousand	30/09/21	30/09/20	Variations	%
ORDER INTAKE	345.339	220.379	124.960	56,7%
BACKLOG	187.891	127.771	60.120	47,1%
REVENUES	281.414	233.452	47.962	20,5%
EBITDA	20.891	14.896	5.995	40,2%
EBITDA %	7,4%	6,4%	1,0%	-
EBIT	6.205	(1.525)	7.730	-506,9%
EBIT %	2,2%	-0,7%	2,9%	-
NET RESULT	1.621	(4.385)	6.006	-137,0%
FCF	(8.129)	(13.984)	5.855	41,9%
NET FINANCIAL DEBT	(102.191)	(123.630)	21.439	17,3%
HEADCOUNT	1.757	1.761	(4)	-0,2%

( % calculated over the revenues, headcount expressed in units)

Values in Euro thousand	30/09/21	30/09/20	Variations	%
REVENUES AT COSTANT EXCHANGE RATES	287.185	233.452	53.733	23,0%
EBITDA Adj	24.041	18.127	5.914	32,6%
EBITDA Adj %	8,5%	7,8%	0,7%	-
EBIT Adj	9.682	1.706	7.976	467,5%
EBIT Adj %	3,4%	0,7%	2,7%	-

( % calculated over the revenues)

# BUSINESS PLAN

'21-'23

MAIN

TARGETS

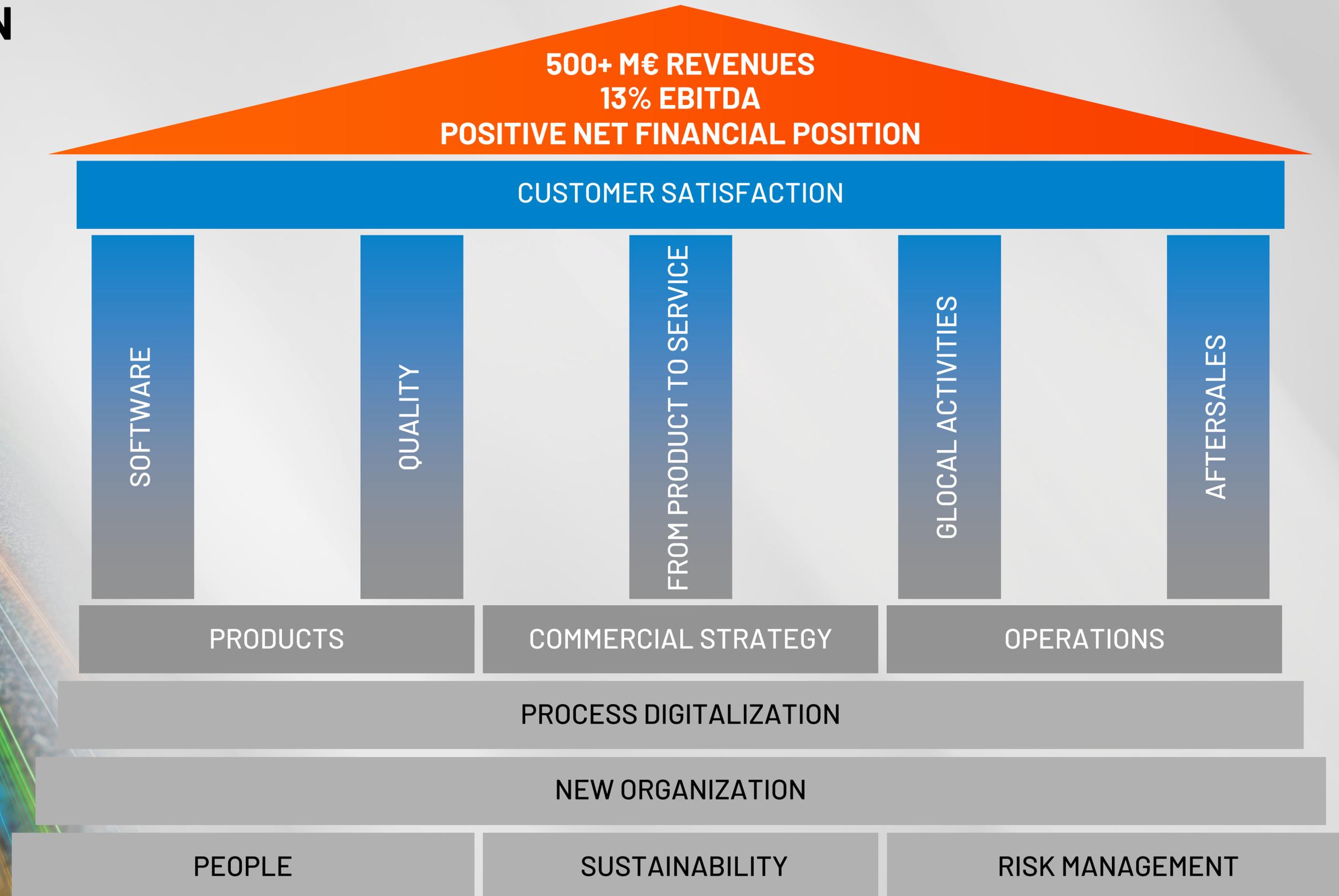
GROWTH IN  
REVENUES TO  
500+ M€

IMPROVEMENT  
IN MARGINALITY  
WITH  
EBITDA  
13%

POSITIVE  
NET FINANCIAL  
POSITION

(EXCLUDING IMPACT FROM  
IFRS16 AND EXTRAORDINARY  
OPERATIONS)

# ACTION PLAN



## ENHANCEMENT OF PRESENCE IN APAC MARKET

Investments in south-east Asia, China and other APAC Countries to increase market share.



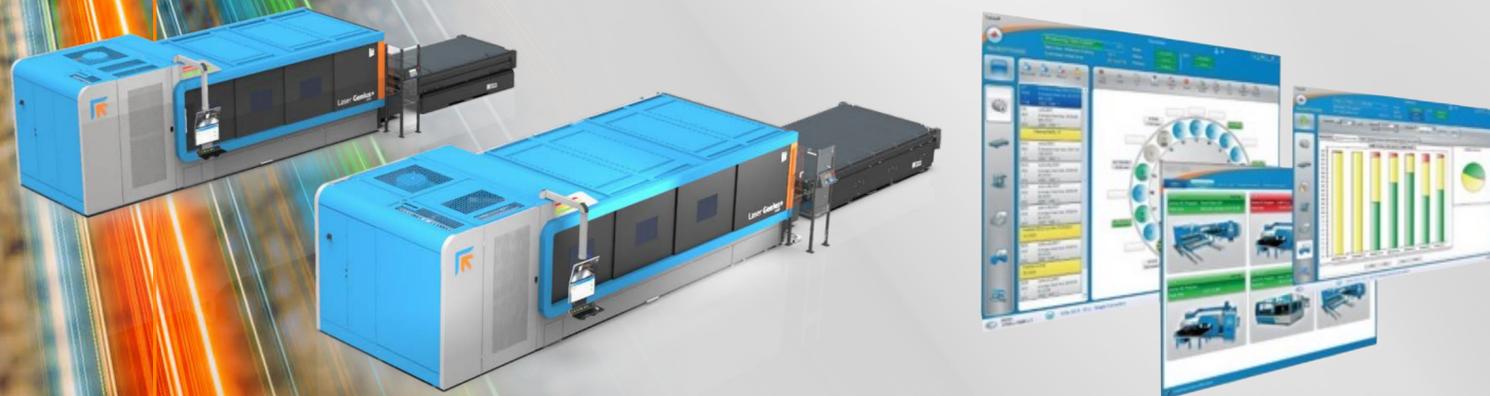
## RECOVERY OF AUTOMOTIVE SECTOR

- Recovery of investments from automotive sector starting from China.
- Introduction of new models and safer / lighter vehicles.
  - Expected increased use of HSS materials.
- EV are an opportunity and not a threat to 3D laser machines.



## EVOLUTION OF THE PRODUCT RANGE

Through major investments in software and automation and introduction of a new family of "volume booster" products.



## FURTHER GROWTH IN AFTER-SALE REVENUES

- New Global Organization ("thinkglobal.serve local") oriented towards Customer Satisfaction.
- Growth through a more efficient employment of human resources and new digital technologies (Remote Troubleshooting, Augmented Reality, Predictive Maintenance)



## RATIONALIZATION OF THE PRODUCTION FOOTPRINT

With the completion of the new factory in Collegno (Torino), after the actions already concluded in the recent years in Suzhou (China) Seinäjoki (Finland) and Minneapolis (USA)



## EFFICIENCIES IN INSTALLATION AND PROCUREMENT

Reduction of installation times and costs, also thanks to the use of new digital technologies Centralization of Procurement function



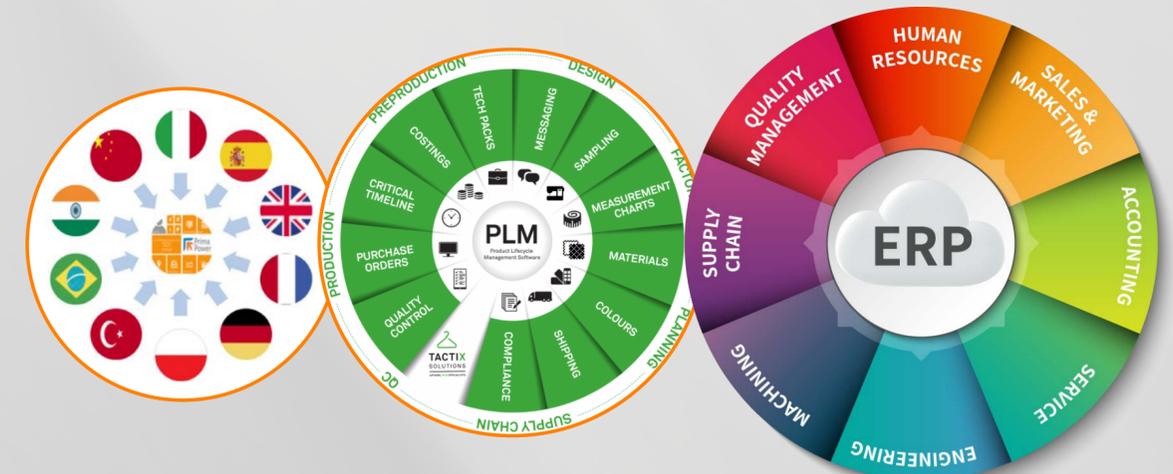
## REDUCTION OF COSTS IN MARKETING EVENTS

Launch of a new streaming platform called "Prima@Home" to create digital events and open houses and arrange virtual demonstrations for customers without the need for them to move and travel to the Group's showrooms.



## GREATER DIGITALIZATION OF BUSINESS PROCESSES

Updating and integration of ERP and PLM systems, rollout of PST system for the After-Sale management



# MAIN ACTIONS FOR TOP LINE & MARGIN IMPROVEMENT



## INDUSTRIAL ELECTRONICS

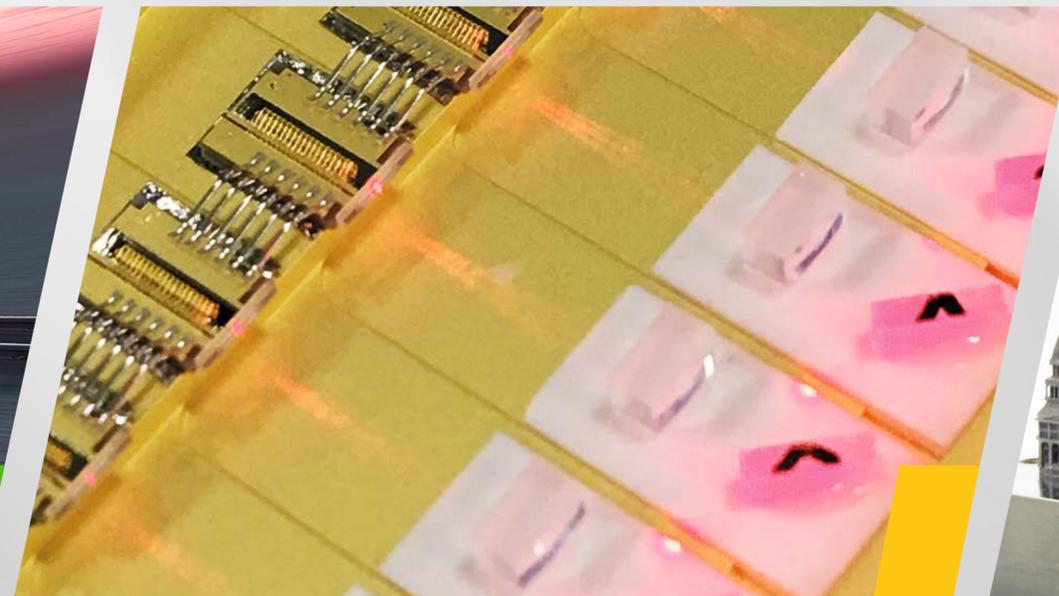
Significant growth in revenues, partly deriving from programs launched with its main customers and partly through the development of new sectors (railway and e-mobility). Profitability margins expected to remain stable over the period.

## OPTOELECTRONICS AND FIBER LASER SOURCES

After a previous period of strong investments and negative impact on the Group EBIT, the BU will carry out a complete turnaround during the plan period. This will be made possible thanks to repositioning in niche sectors with better margins.

## ADDITIVE MANUFACTURING

Business Unit although starting from still limited volumes of revenues, will more than double its revenues thanks to new products in the Direct Energy Deposition sector (Repairing - Circular Economy) and in the Powder Bed Fusion (Aerospace, Automotive and Energy markets).



# UPSIDES NOT INCLUDED IN THE PLAN

## LEAD LASER 41% CALL OPTION EXERCISE AND CONSOLIDATION

- Conditions to be satisfied:  
travels to/from China, agreement  
with Chinese Management
- Time to exercise: March 31<sup>st</sup>, 2022

## ADDITIVE MANUFACTURING BU SPIN-OFF AND MERGE WITH 3D-NT

- Aggressive product development for high productivity  
multi laser machines aimed to satisfy requirements of  
mid quantities/cost sensitive market segments  
such as high-end automotive and aerospace
- Becoming a market reference in Italy
- Value operation through much higher  
evaluation multiples





**THANK YOU**

