

Innovation is looking beyond.



**BANCA IFIS**



MEDIOBANCA  
SECURITIES

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*One day in Venice 2018 - November 23<sup>rd</sup>*



# 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**
- **≈ 1,800 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



# Business sectors: Prima Power





# Business sectors: Prima Electro



Chicopee (MA) - USA

Fiber lasers

**convergent**



Moncalieri (TO) - Italy

PCB manufacturing



Torino - Diode Fab - Italy

Diodes R&D - manufacturing



Barone C.se (TO) - Italy

OSAI CNC & drives  
Other electronic products

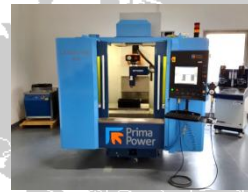




# Business sectors: Prima Additive

Collegno (TO) - Italy

R&D additive manufacturing





# Sales & service network: EMEA





# Sales & service network: APAC & Americas



# 2015-2019: STRATEGIC ACTIVITIES

Connecting global innovation.



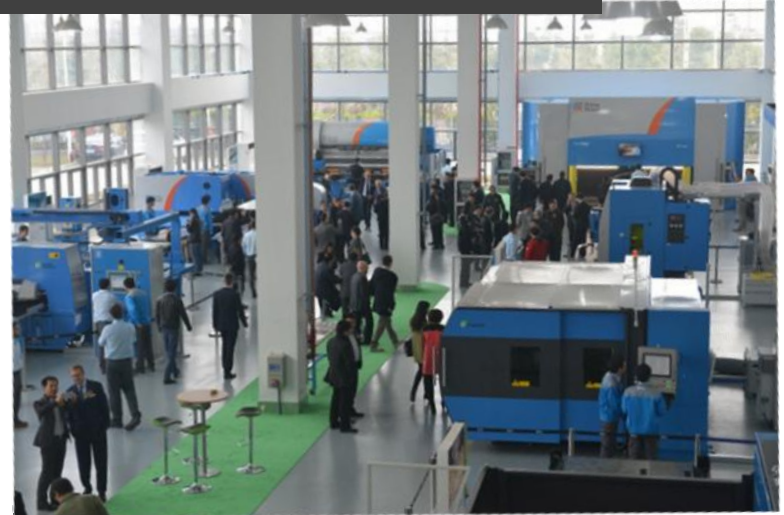




# Mar 2015 - New Plant in Suzhou (China)



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.

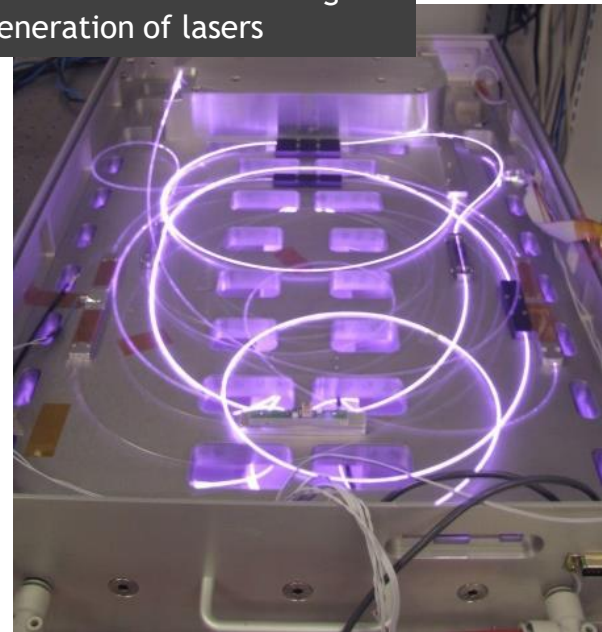
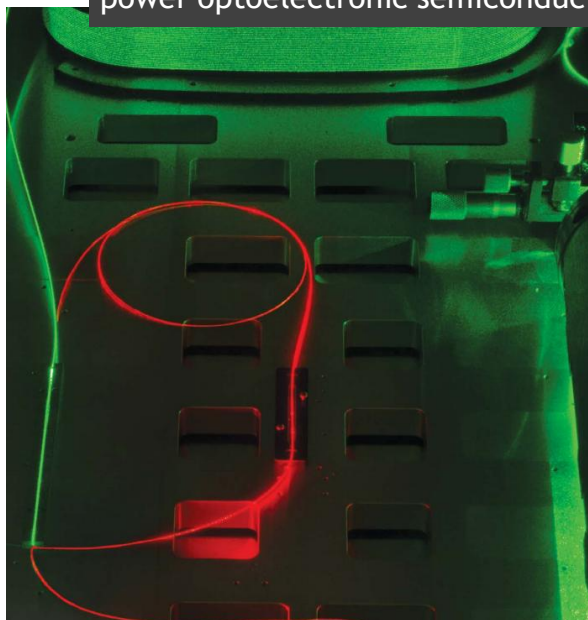




# Oct 2015 - Diode Fab for Fiber Lasers (Torino)

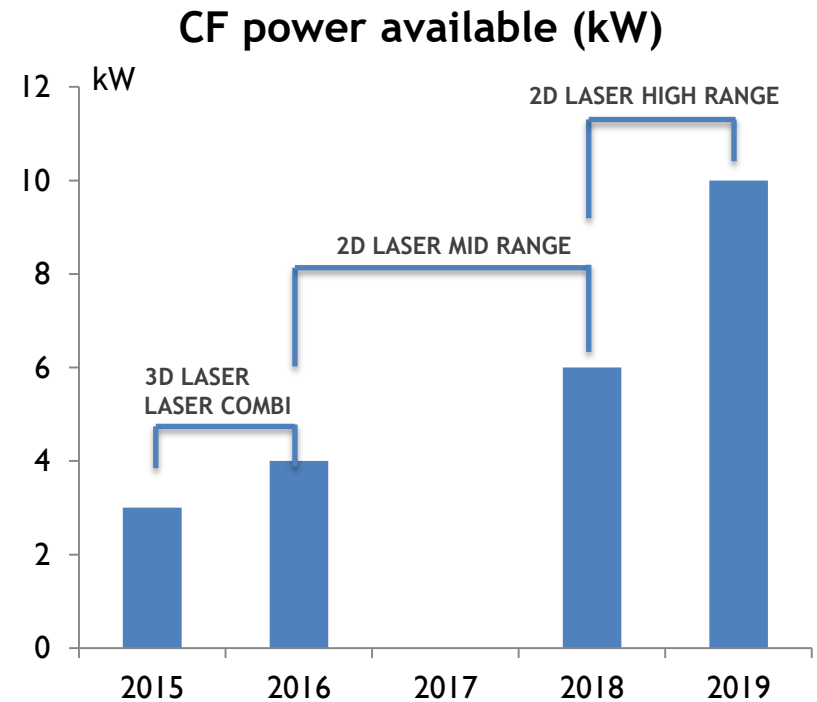
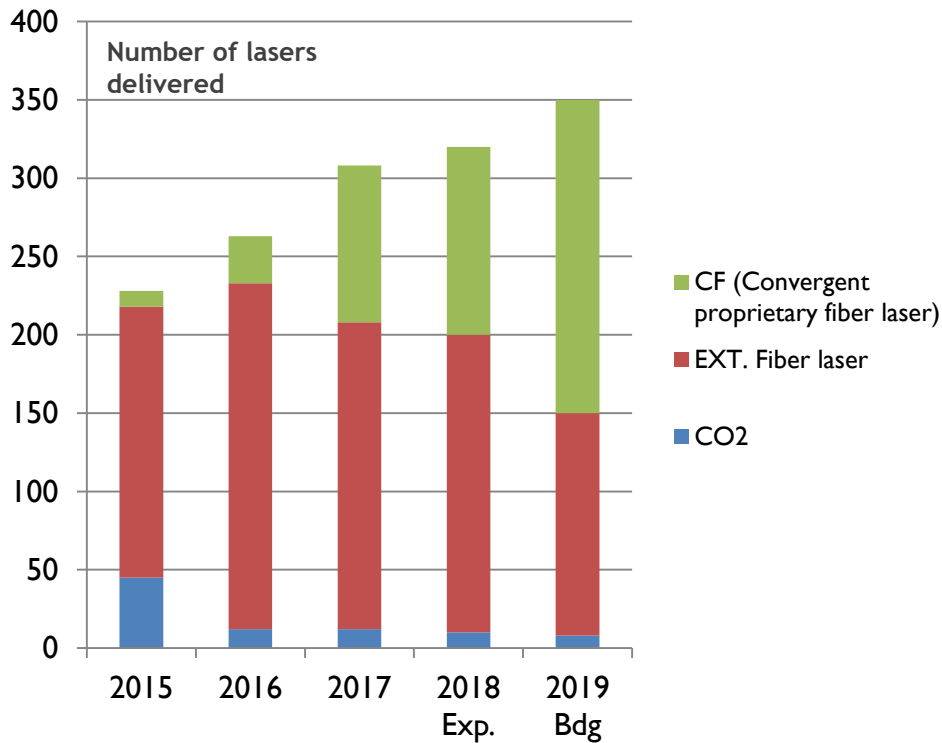


The high tech laboratories host research activities focused on the field of high power optoelectronic semiconductors for the latest generation of lasers





# Focus on CF fiber laser family





# May 2016 - New HQ and Technology Center in Torino



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)



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)

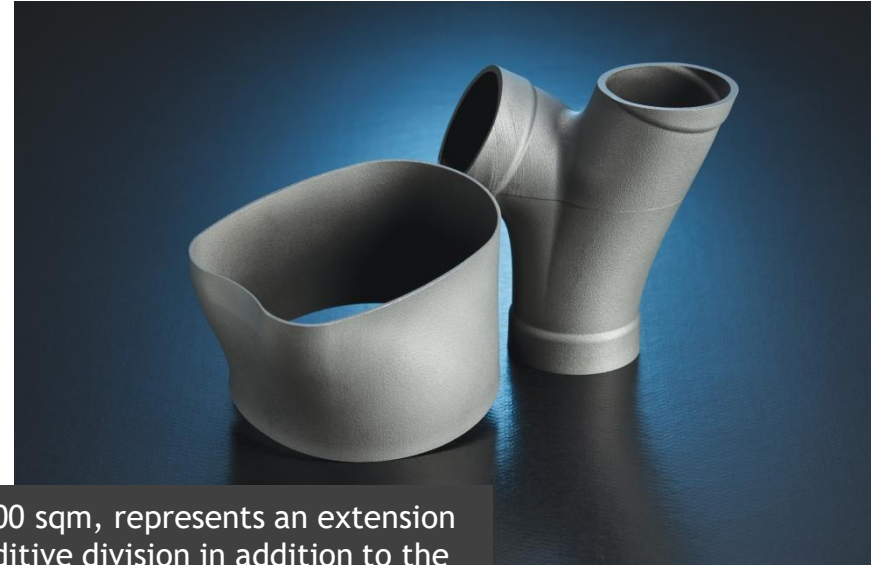


The new location features a large Show Room and well organized areas dedicated to demonstrations, applications, cycle time studies, training, and conferences. The new location is in the heart of the D-A-CH area, which is strategic for the Group, as it represents the second most important market in Europe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

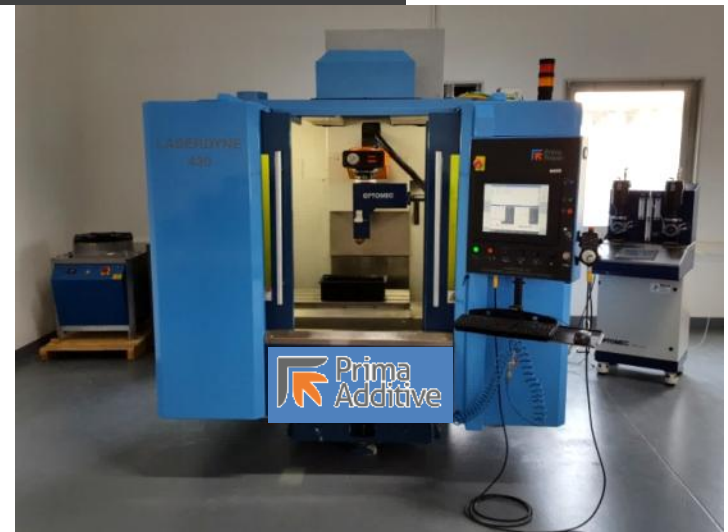




# Dec 2018 - R&D + Additive Manufacturing facility in Torino

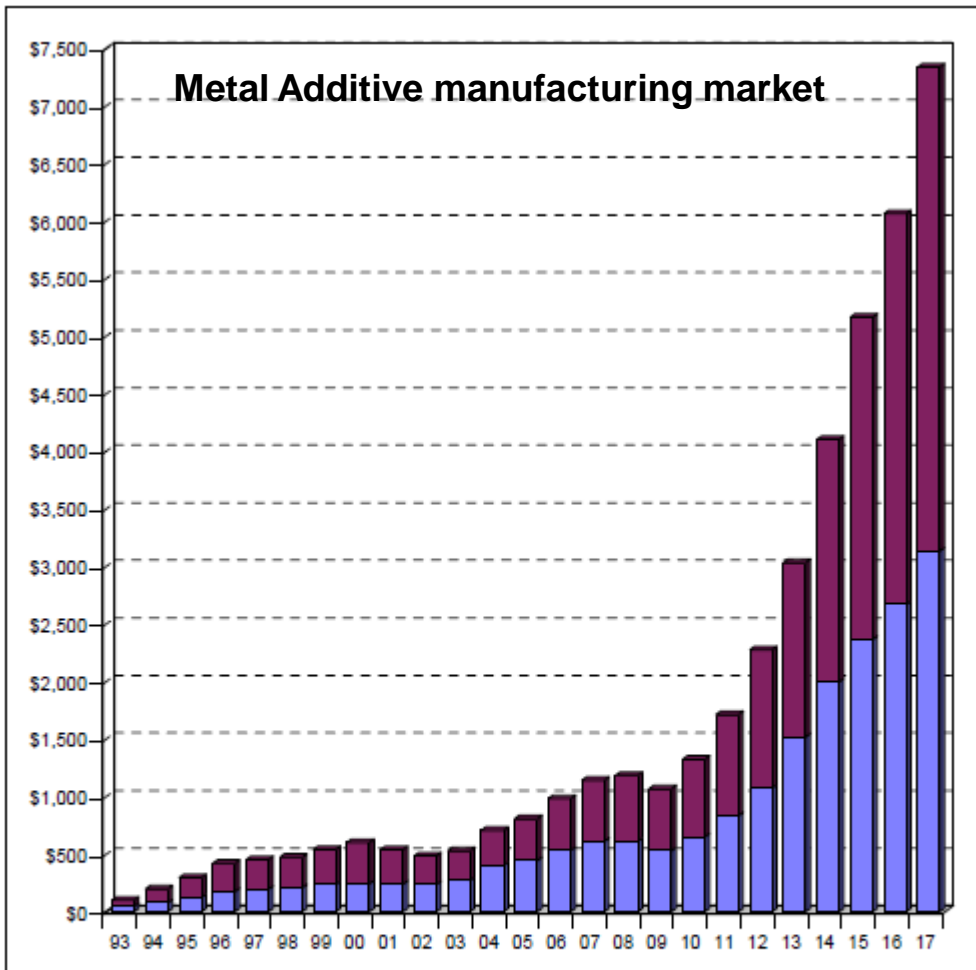


The facility, structured on approx. 3,300 sqm, represents an extension of the HQTC to host the new Prima Additive division in addition to the R&D employees of laser machines development and relevant labs.

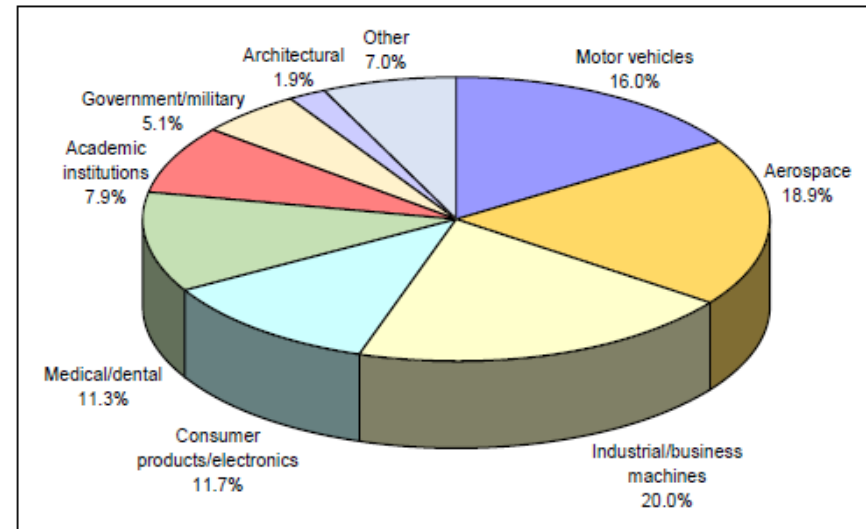




# New Additive Manufacturing division



Source: Wohlers Associates, Inc.



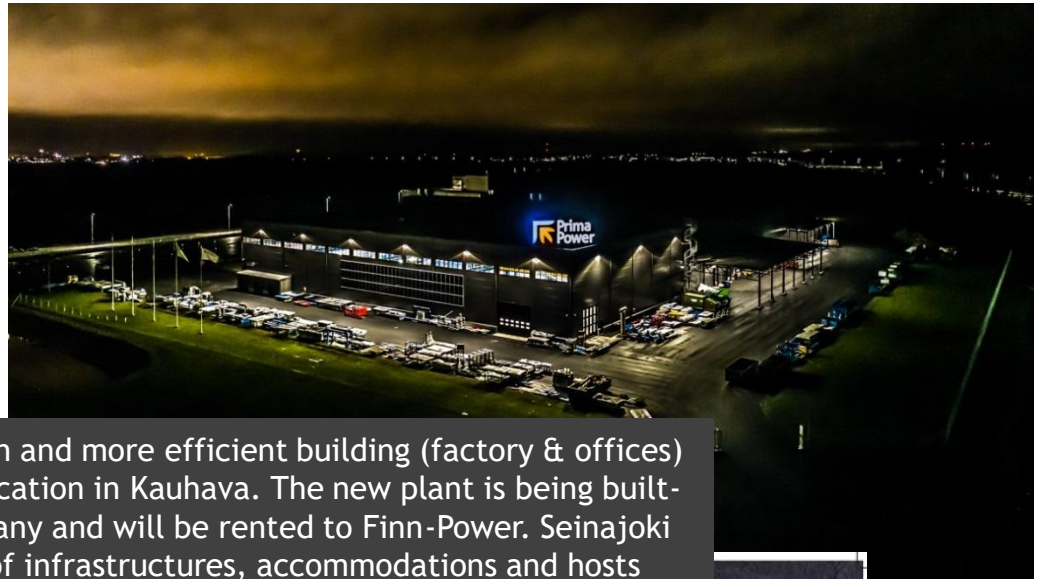
Source: Wohlers Associates, Inc.

The lower (blue) segment of the bars represents *products*, while the upper (burgundy) segment represents *services*. Neither category includes secondary processes, such as tooling, molded parts, or castings. The secondary market segment is reported separately.





# Nov 2018 - Finn-Power Oy new Plant in Seinäjoki (Finland)



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. Seinajoki 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 Kite credit classification in the international area and is thus entitled to this special certificate. The classification is based on the company's long-term excellent financial key ratios, positive background information and good business performance. The classification is granted by Suomen Asiakastieto Oy.

asiakastieto.fi

# Evolution to Power





# A history of growth

## 1977 - 1979 START AS ENGINEERING COMPANY

1977  
PRIMA PROGETTI  
ESTABLISHED



PRIMA PROGETTI S.p.A.  
PROGRESS IN MANUFACTURING AUTOMATION

1978  
PRIMA ELECTRONICS  
ESTABLISHED



PRIMA ELECTRONICS  
PROGRESS IN MANUFACTURING AUTOMATION

1979  
ZAC - 1<sup>ST</sup> 3D LASER  
MACHINE FOR  
AUTOMOTIVE

## 1990 - 1995 FOCUS ON LASER AND SHEET METAL



1990  
RAPIDO

1991  
FIRST PANEL  
BENDER

1992  
ENTRY IN 2D LASER MARKET  
WITH LASERWORK

1993  
1<sup>ST</sup> FINN-POWER'S INTEGRATED  
RIGHT ANGLE SHEAR



1994  
NIGHT TRAIN FMS

## 1999 - 2007 LISTING - ALWAYS MORE GLOBAL

1999  
LISTING ON THE ITALIAN  
STOCK EXCHANGE

2001  
ACQUISITION OF LASERDYNE



2005  
SYNCRONO

1999  
FIRST JV IN CHINA  
2000  
ACQUISITION OF  
CONVERGENT - OUR LASER



2003  
FIRST SERVO-ELECTRIC  
PRESS BRAKE

2004  
SERVO-ELECTRIC  
PANEL BENDERS

## 2013 - 2016 STRONG INVESTMENTS

2014  
LAUNCH OF LASER NEXT



2015  
LAUNCH OF  
LASER GENIUS

2015  
CHINA PLANT  
INAUGURATED



2016  
COLLEGNO HQTC  
INAUGURATED

1969  
FINN-POWER  
ESTABLISHED



INDUSTRIAL  
PRODUCTS  
LAUNCHED

1983  
FIRST HYDRAULIC TURRET PUNCH  
PRESS, BY FINN-POWER

1985  
OPTIMO



1988  
FIRST FINN-POWER  
PRESS BRAKE

1997  
PLATINO



1998  
ISO 9001 CERTIFICATION

1998  
1<sup>ST</sup> SERVO ELECTRIC  
TURRET PUNCH PRESS

## 1980 - 1989 GETTING INDUSTRIAL

## 1996 - 1998 PRODUCT RANGE GROWTH

## 2008 - 2012

## THE BIG CHANGE: PRIMA POWER

2007  
ACQUISITION OF OSAI

2008  
PRIMA INDUSTRIE ACQUIRES **FINN-POWER**

INTEGRATION AND GLOBALIZATION

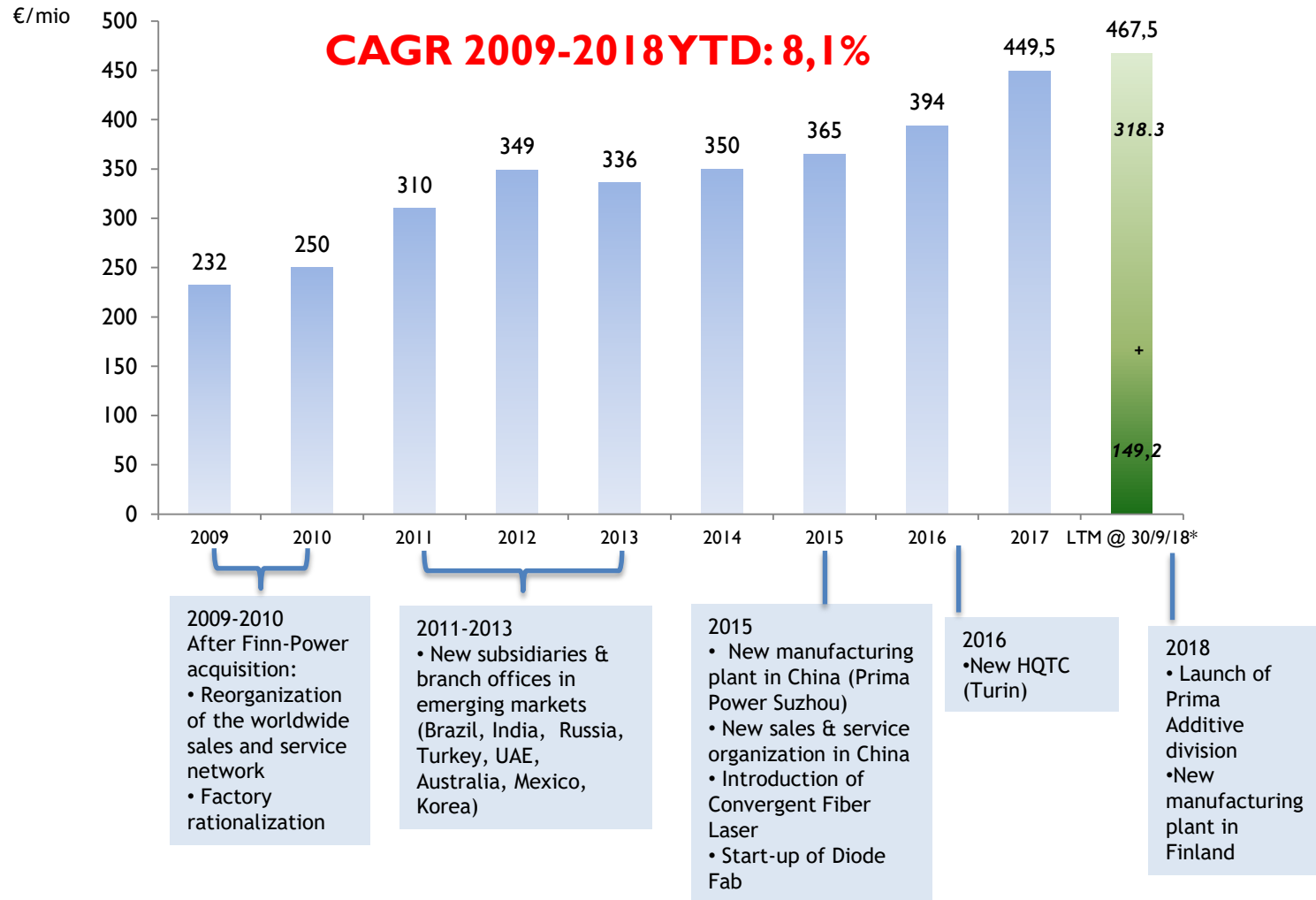
2011  
PRIMA POWER BRAND IS BORN  
(PRIMA INDUSTRIE + FINN POWER)





# A history of growth

## Revenues



(\*) = LTM @ 30/9/18 includes 12 months from 1 Oct 2017 through 30 Sep 2018



# Growth is slowing down

In 2017, the global industrial economy was in its strongest position for at least three years, supported by buoyant global trade. But growth has now peaked, and rising trade tensions come at a time when global industrial activity is already slowing.

Despite the global industry slowdown, economic fundamentals remain solid, and will support some growth even amid the intensifying trade frictions.



The weakening of the internal and external growth consensus is confirmed: uncertainties related to the American commercial policy, slowing of growth in various European economies, progressive increase in interest rates, generalized climate of mistrust of companies and families. The slowdown in Italian exports is more pronounced than in other European countries. This can be attributed to the less positive performance in some specific sectors (automotive, agricultural machinery, ..) and destination markets (China, Japan, Russia).



IPG Photonics announced that it expects revenue for the 3Q18 to be approximately USD355-356m vs old estimates of USD360-390m. In addition, the company added that it expects FY revenue growth to be below the 7-9% range provided on July 31, 2018. Management mentioned that the tariff and trade-related headwinds were the primary driver of weaker than expected performance for business in China and Europe.

*Customers in China were more cautious due to heightened political and macroeconomic uncertainties, while order intake in the Americas continued to grow.*



**TRUMPF**



We are monitoring the global economy's development very closely. There are increasing signs that this long phase of recovery could soon be over. We want to be prepared for that. In the current fiscal year, despite the general slowdown of the global economy, TRUMPF expects to generate business with a similar level of profitability.

# Prima's resilience

## COMMON FACTORS HIGHLIGHTED

- Slow-down of investments in **China / Trade war** effects
- Uncertainty scenario in **Italy**
- Slow-down of investments of **automotive sector**




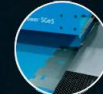




## RESILIENCE PHASE THANKS TO DIVERSIFICATION IN:

- Geographic markets
- Industries addressed
- Product portfolio




**Prima Power**

**LASER AND SHEET METAL MACHINERY**


<p><b>THE LASER</b></p>  <p>2D and 3D laser machines for cutting, welding and drilling</p>	<p><b>THE PUNCH</b></p>  <p>Servo-electric turret punch presses</p>	<p><b>THE SHEAR</b></p>  <p>Integrated systems punch+shear</p>	<p><b>THE COMBI</b></p>  <p>Integrated systems punch+laser</p>
<p><b>THE PRESS</b></p>  <p>Servo-electric and hydraulic press brakes</p>	<p><b>THE BEND</b></p>  <p>Servo-electric panel benders and bending centers</p>	<p><b>THE SYSTEM</b></p>  <p>FMC &amp; FMS to automate your production flow</p>	<p><b>THE SOFTWARE</b></p>  <p>Smart solutions to connect your machines and maximize productivity</p>

**Prima Electro**

**ELECTRONICS AND LASER TECHNOLOGIES**



**CONVERGENT**  
Fiber and CO<sub>2</sub> Laser sources



**OSAI**  
Motion Control and CNC's



# Overcome the slow down with growth

## **INTERNAL GROWTH ENGINES**

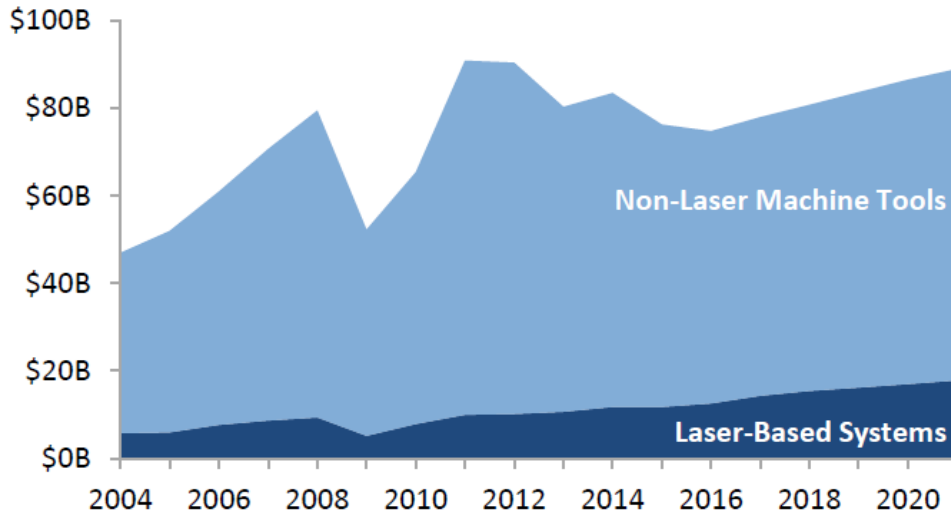
- **Fiber laser & Diodes investments:** boost in profitability expected
- **Lead Laser investment:** fully exploit the relationship
- **Additive Manufacturing:** add on to turnover and profitability





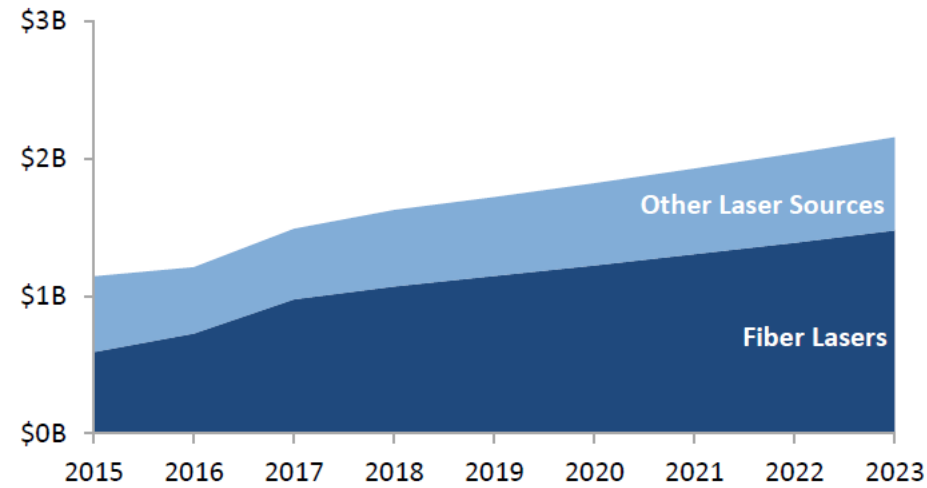
# Market trends: machine tool & laser machines market

Global Machine Tool Consumption in 2017: ~\$78B  
Global Laser Systems for Materials Processing in 2017: ~\$14B  
*Laser Systems 18% of Worldwide Machine Tools and Growing*



Source: Oxford Economics, Optech Consulting and IPG Photonics Corporation

Fiber Lasers a Growing Percentage of Annual Demand for High-Power Industrial Laser Sources



Source: Optech Consulting and IPG Photonics Corporation



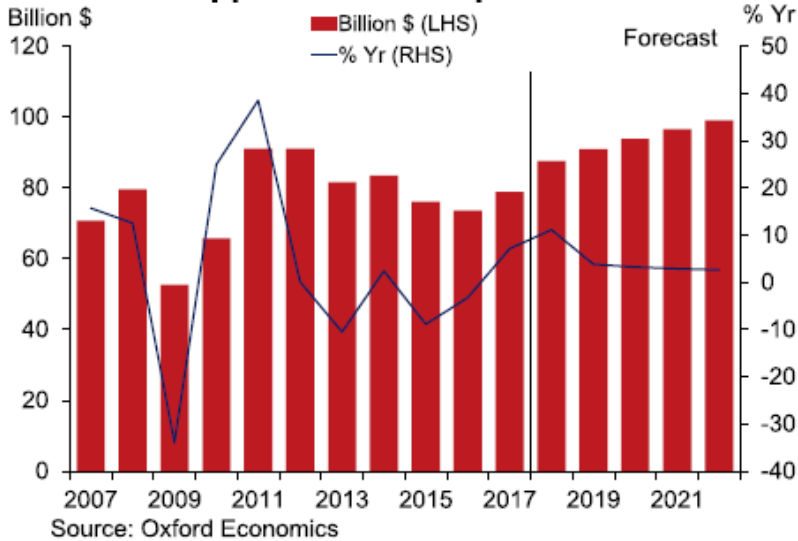


# Market trends: machine tool & laser machines market

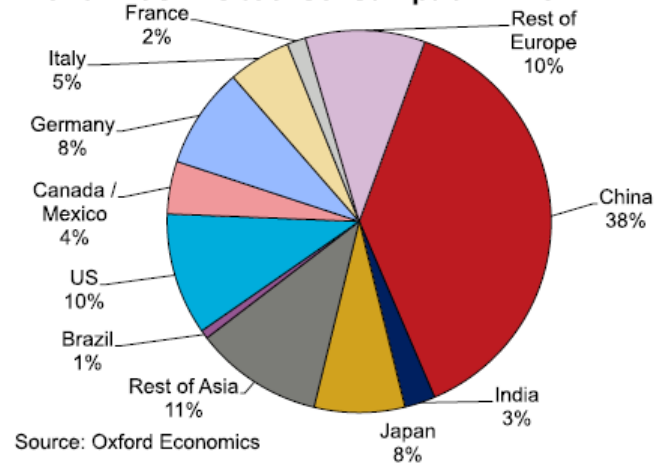
## Global Machine Tool Outlook

Autumn 2018

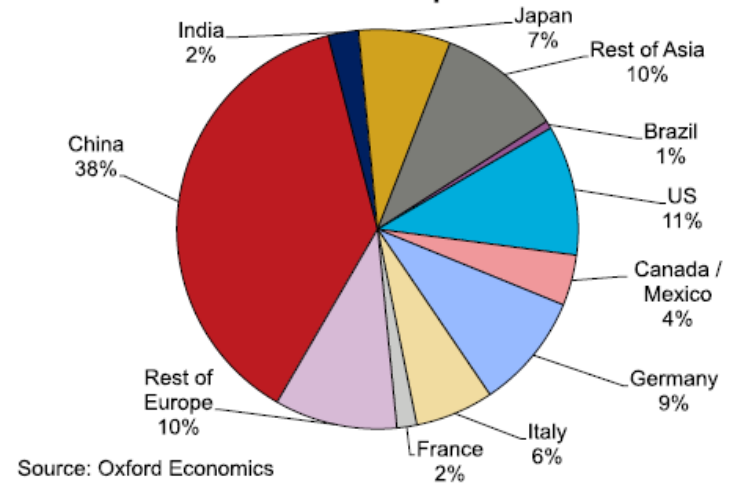
### World: MT Apparent consumption



### World: Machine tool consumption in 2017



### World: Machine tool consumption in 2022

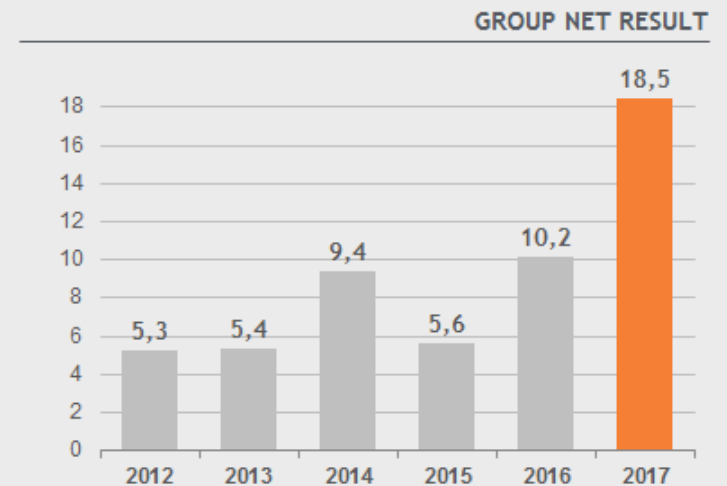
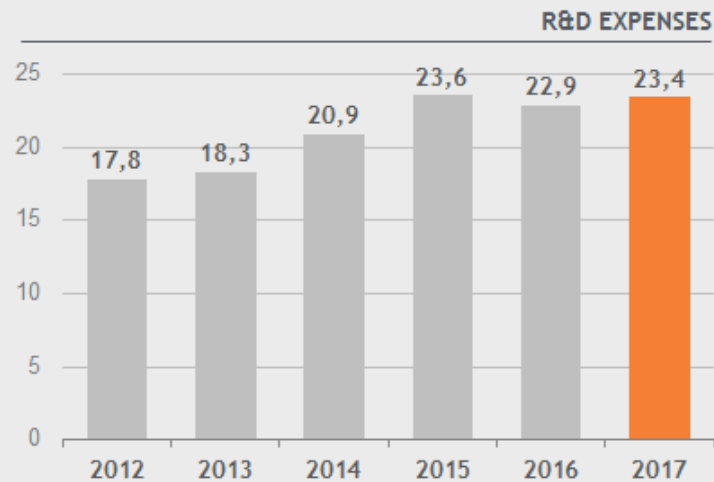
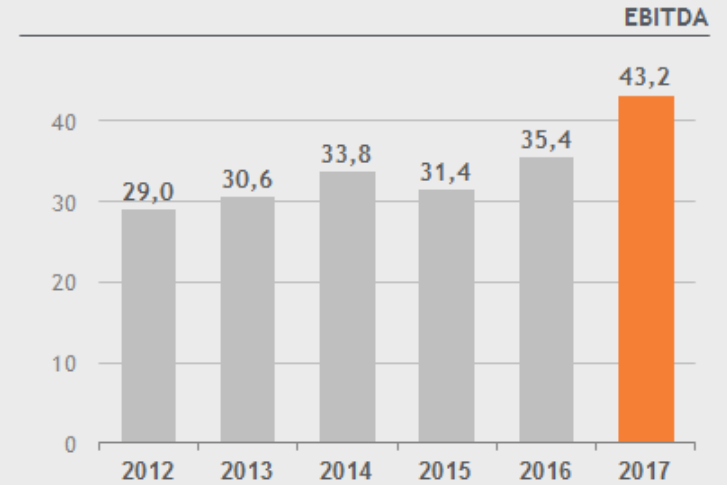
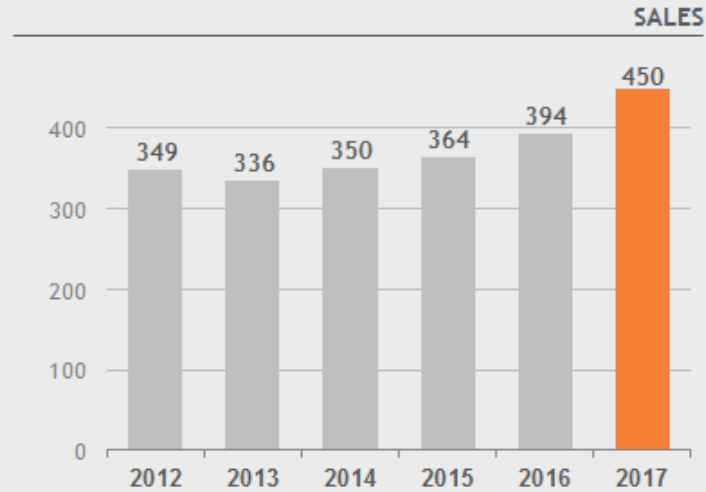




# Economic trends

## OUR GROUP - KEY INDICATORS

VALUE IN EURO MILLION

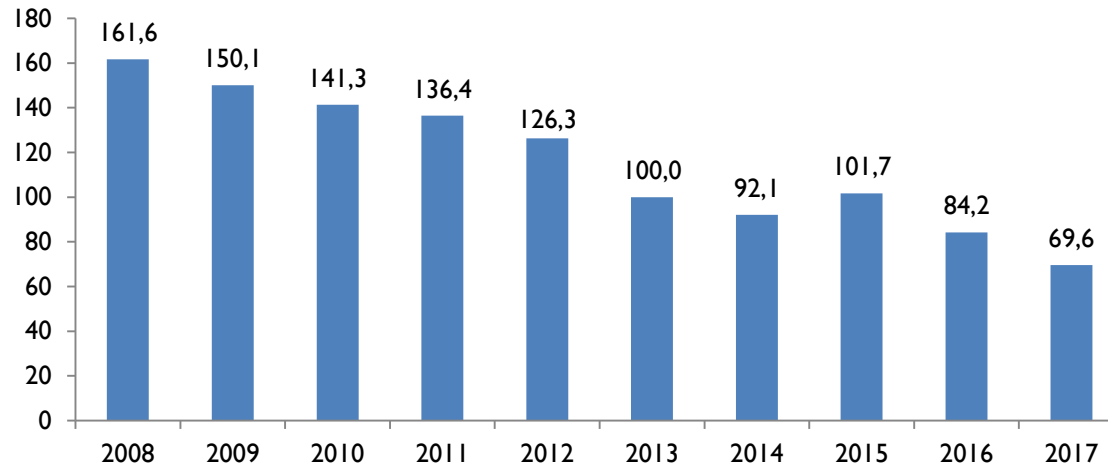




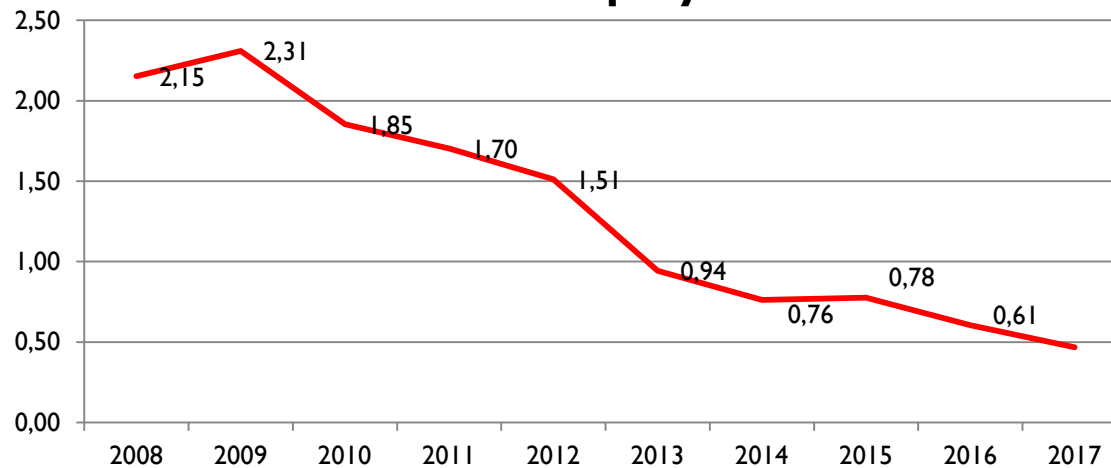
# Net financial position trend

€/mio

## NFP



## Debt/Equity





# M/L term debt refinancing on main operations

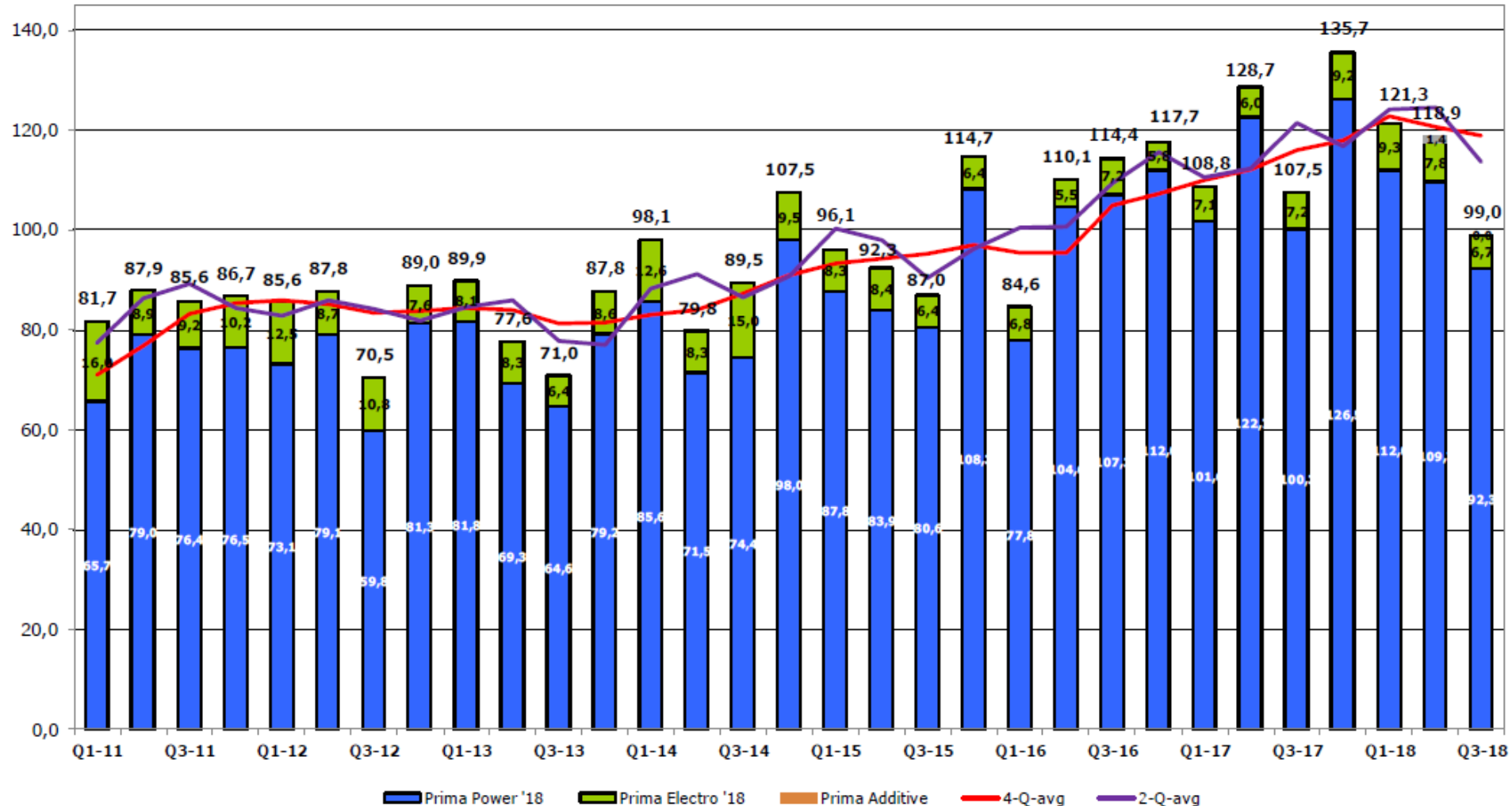
Type	Counterparty	Amount (M€)	Interest rate %	Maturity	Timing for reimbursement	Type	Counterparty	Amount (M€)	Interest rate %	Maturity
BOND	INSTITUTIONAL INVESTOR 1	40	5,875	2022	March 2018	BOND	INSTITUTIONAL INVESTOR 2	25	3,50	2025
TERM LOAN	IT BANKS CLUB DEAL	23	3,03	2021	March 2018	TERM LOAN	BANK 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	1,50	2022/2023
TOTAL		108	3,70	2018/2022		TOTAL		115	2,10	2022/2025

Banks involved:



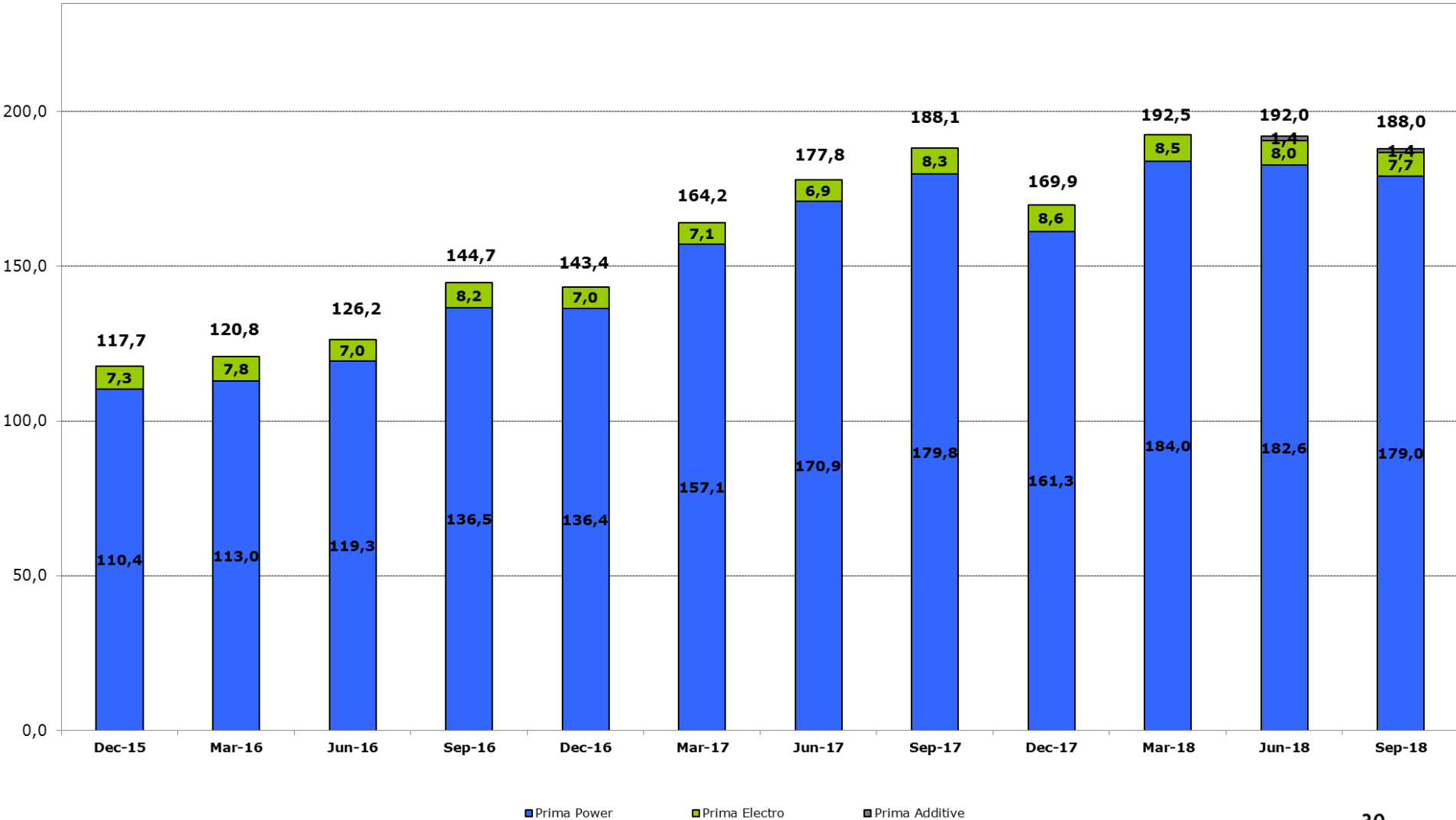


# Quarterly order intake since 2011





# Quarterly backlog since Dec. 2015





# Analysts' consensus

	2018				2019					2020	
	B. IMI 42 (*) ADD	Mediobanca 30,5 NEUTRAL	B. Akros 33,0 NEUTRAL	Consensus	B. IMI 42 (*) ADD	Mediobanca 36,0 NEUTRAL	B. Akros 40,0 NEUTRAL	Consensus	Company Business Plan	Mediobanca 36,0 NEUTRAL	
REVENUES	485	475	478	479,3	510	488	497	498,3	500	497	
EBITDA	54,81	46	46	48,9	61,2	55	57	57,7	60	57	
EBIT	37,95	30	29	32,3	44,34	38	39	40,4	-	39	
NET RESULT	32,77	25	23	26,9	31,69	28	26	28,6	-	27	
NFP	-54,2	-67	-50	-57,1	-34,8	-46	-42	-40,9	-	-24	

(\*) = new risk free rate resolved by Banca IMI (3%) would bring new TP to between 30,5 and 39,8 Euros



MEDIOBANCA *Released November 6, 2018*



BANCA IMI *Released August 3, 2018*

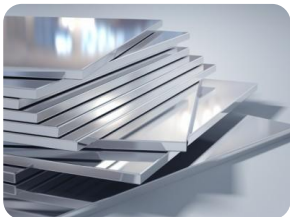
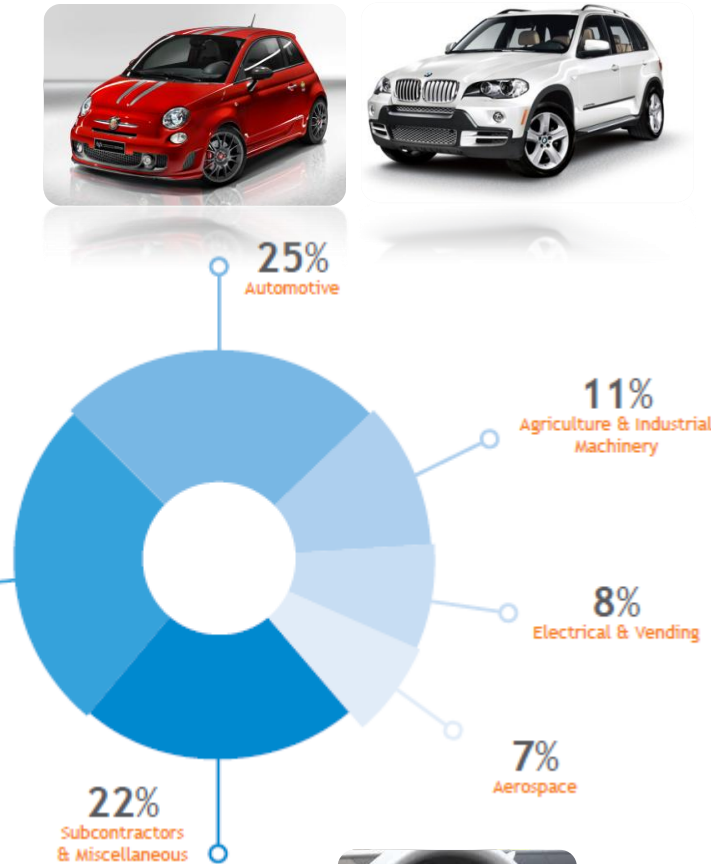


*Released November 6, 2018*



# Machine revenues by application (2017)

MACHINE SALES BY INDUSTRY



Figures FY 2017





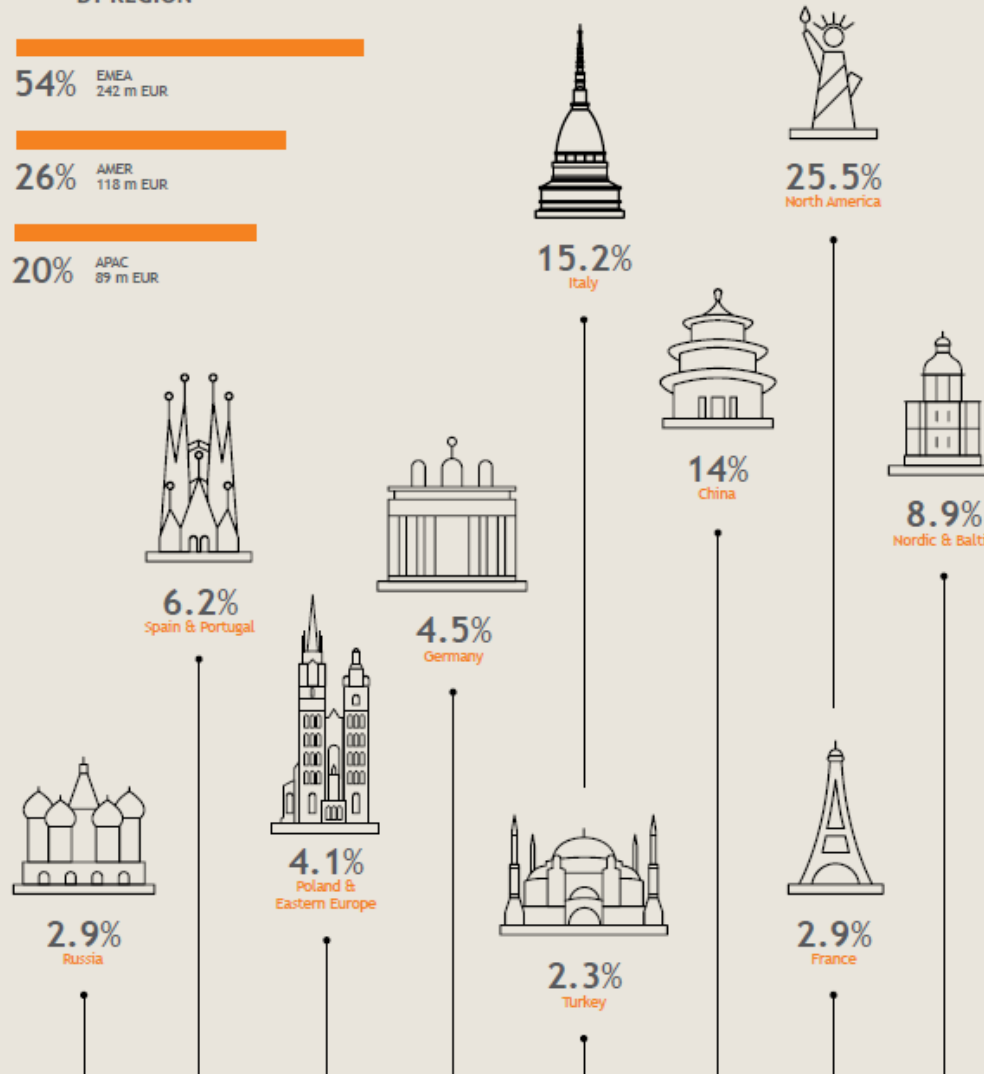
# Regional Highlights (2017)

## REVENUES BY REGION

54% EMEA  
242 m EUR

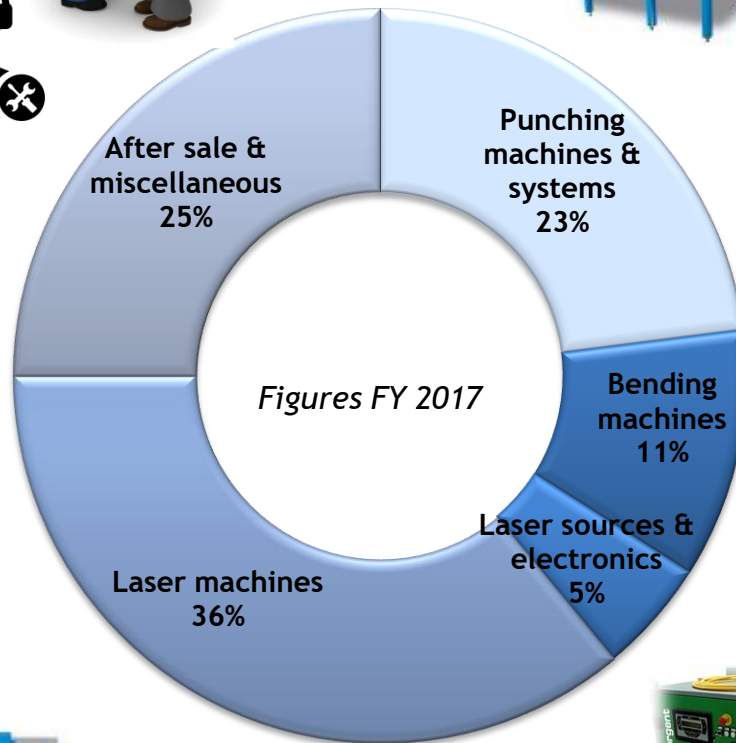
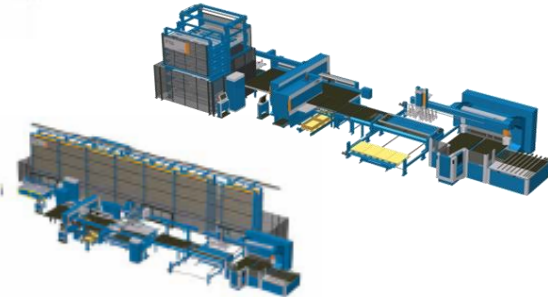
26% AMER  
118 m EUR

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



**AVERAGE EMPLOYEE AGE: 39**

**INVESTMENTS IN YOUNG TALENTS:**

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



# A selection from our 2,000 customers ww



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



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



# A selection from our 2,000 customers ww



ELECTRICAL & VENDING EQUIP.  
- OTHERS





# 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.



# Highlights from financial statements as at Sep. 30, 2018

Values in €/thousand	ACT 30.09.18	ACT 30.09.17	Change	Change %
Order Intake	339.489	350.977	(11.488)	-3,3%
Backlog	188.041	188.130	(89)	0,0%
Revenues	318.304	300.306	17.998	6,0%
EBITDA	29.341	29.652	(311)	-1,0%
EBITDA%	9,2%	9,9%	-0,7%	-
EBIT	17.332	17.032	300	1,8%
EBIT%	5,4%	5,7%	-0,3%	-
Net Result	14.422	12.131	2.291	18,9%
FCF	(27.754)	(11.760)	(15.994)	-136,0%
Net Financial Position	(94.797)	(103.122)	8.325	8,1%
Headcount	1.846	1.743	103	5,9%

(% calculated over the revenues)

(headcount in units)

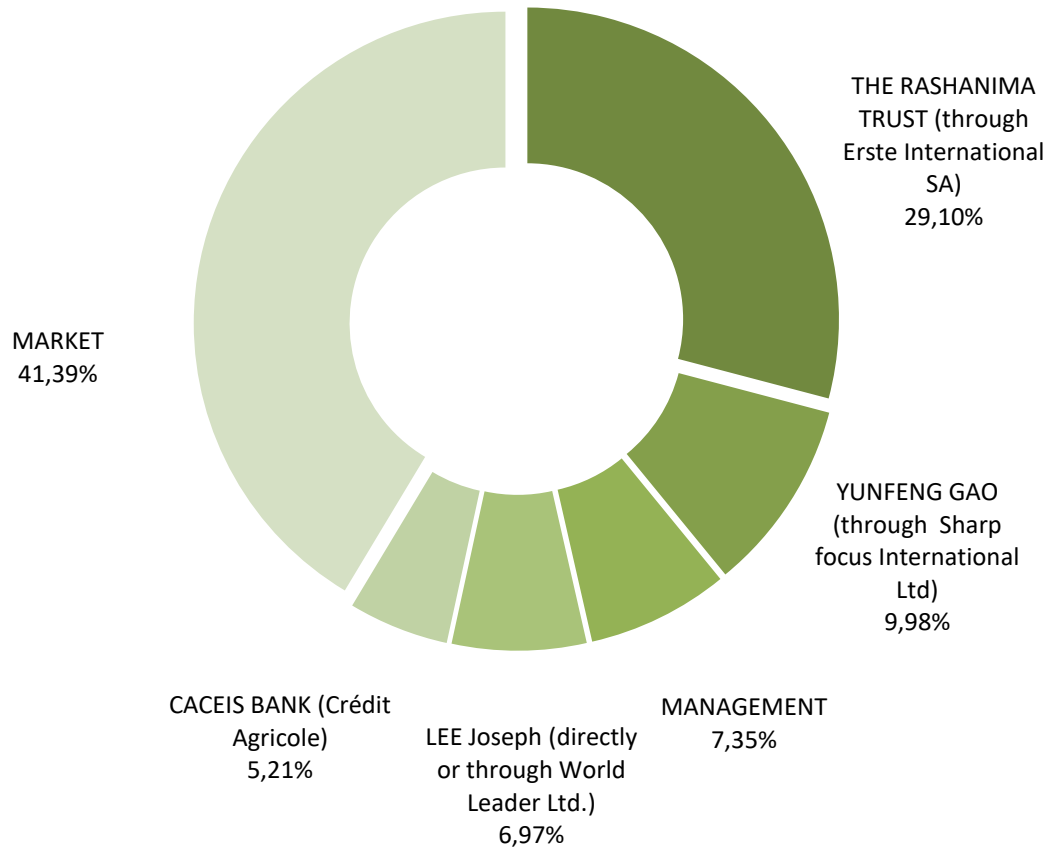
Values in €/thousand	ACT 30.09.18	ACT 30.09.17	Change	Change %
Revenues constant FX	327.894	300.306	27.588	9,2%
EBITDA adj	31.274	30.196	1.078	3,6%
EBITDA adj %	9,8%	10,1%	-0,3%	-
EBIT adj	19.574	17.599	1.975	11,2%
EBIT adj %	6,1%	5,9%	0,2%	-

(% calculated over the revenues)

- Revenues up +9,2% at constant exchange rates
- Prima Electro recovery in revenues and margins
- EBIT Adj at 6,1% slightly better than Sep 2017
- Net Profit growth thanks to EPS gain but negatively affected by non recurring costs and refinancing expenses
- Improvement of the NFP; + €8,3 mil compared with Sep'17



# Shareholding structure





# THANK YOU !

Welcome to the forefront of **innovation**.

