



Group profile 2012

A global outlook 4 years after Finn-Power acquisition



STAR Conference 2012 - Milan, March 28th



Executive summary

1. Action plan achieved

1. Plants reorganization: 1 plant=1 mission
2. Product range rationalization & innovation
3. Sale/service integration in EU, NA, China
4. Direct presence investments in emerging markets
(The Gulf, Russia, India, Brazil, Turkey, Korea)
5. Rebranding

B. Financials

1. Market trends
2. Order intake & backlog
3. Revenues & profitability
4. NFP & deleveraging
5. Bank facilities & covenants
6. Stock price & shareholders
7. Analysts' coverage

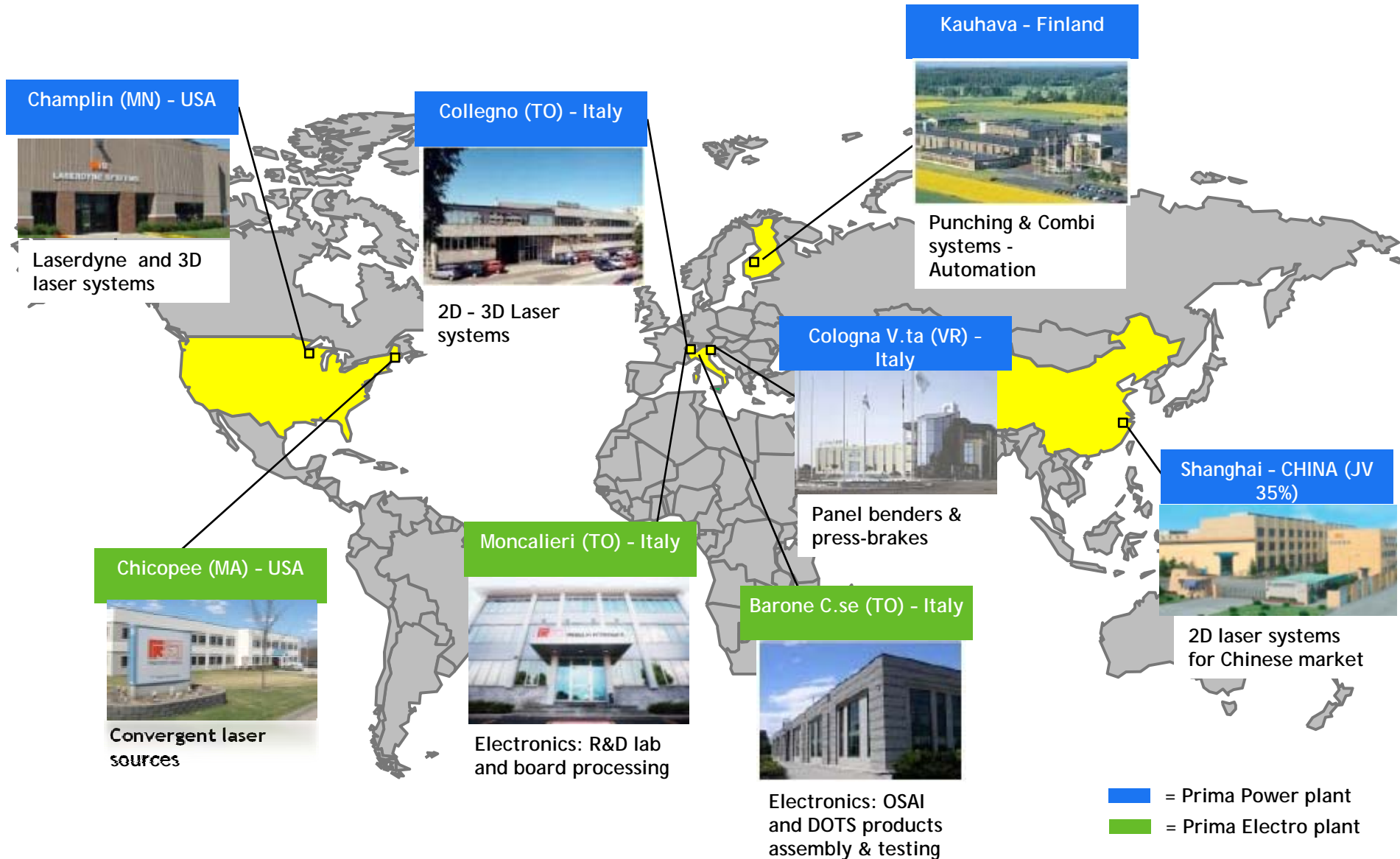


A. ACTION PLAN ACHIEVED





Plants reorganization: 1 plant = 1 mission





Product range rationalization & innovation



New RAPIDO equipped with fiber laser



New E6x servo electric turret punch press

green
means®

=



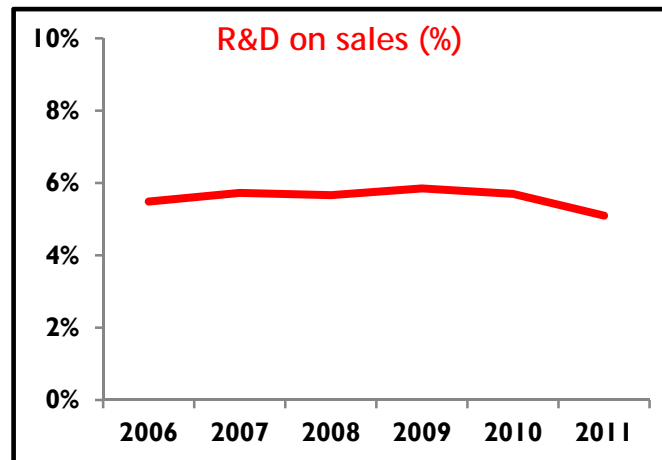
+



New eP 1030 electric press brake



New SG6e, unique fully electric punching/shearing system



The Punch The Laser The Bend The Combi The System The Software



Sale/service integration in Europe

- Finland & Nordic countries: New HQ in Finland through FP acquisition



Renovated Tech Center Kauhava - Finland



- Italy:

Demo room Collegno (TO)



New Technology & Training Center Cologna V.ta (VR)





Sale/service integration in Europe

- France:



Merging & Relocation - Paris



France Minister of Ecology, Sustainable Development, Transport and Housing visits a Prima customer

- Germany:



Merging & Relocation - Frankfurt

- Spain:

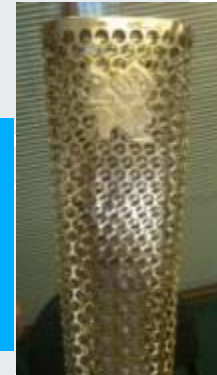


Merging & Relocation - Barcelona

- UK:



Coventry



London 2012 Olympic torch manufactured by Prima Power Optimo & Sincrono laser machines

- Benelux:

Gent

- Central Europe:

Subsidiary relocation to Warsaw, with branches in
Czech Rep. and Hungary



Sale/service integration in North America

- USA: Subsidiary and Tech Center - Chicago (IL)



- Laserdyne and 3D laser products - Champlin (MN)



- Convergent lasers - Chicopee (MA)



- Canada: Subsidiary - Toronto



US President Obama visiting a Prima Power customer in Wisconsin



Former MA governor Mitt Romney visiting Chicopee plant



Multiple RAPIDO machines in operation at MAGNA-COSMA - Canada



Sale/service integration in China

- Beijing: Prima Power China - 3D high-end laser machines
- Hong Kong: Leeport Distributor - 2D and sheet metal processing systems
- Shanghai: JV Shanghai Unity Prima - 2D laser machines
- Guangzhou: Prima Electro CNC and other electronic products

Leeport



CIMT expo - Beijing



Leeport demo room



S.U.P. manufacturing plant



Direct presence investments in emerging markets

- The Gulf: Establishment of a branch in Sharjah (U.A.E.) in 2009
- Russia: Establishment of a subsidiary in Moscow in 2010
- India: Establishment of a subsidiary in Mumbai in 2011
- Brazil: Establishment of a subsidiary in Sao Paulo in 2011
- Turkey: Establishment of a subsidiary in Istanbul in 2011
- Korea: Establishment of a branch in Seoul in 2012



Steelfab expo - U.A.E.



Metallobrobotka expo - Moscow



Imtex expo - Bangalore



TATEF expo - Istanbul



Blech expo - Mumbai



VIP guests in front of a PP machine at CNH plant in Sorocaba, Brazil



Komaf expo - Seoul



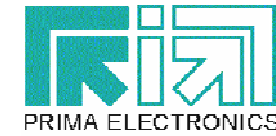
Rebranding

Machinery Division



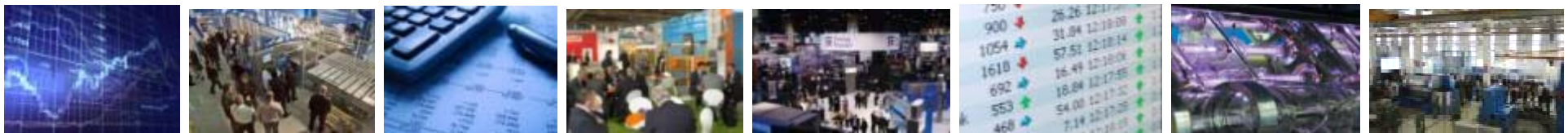
New brand launch ceremony

Electronics & laser technologies



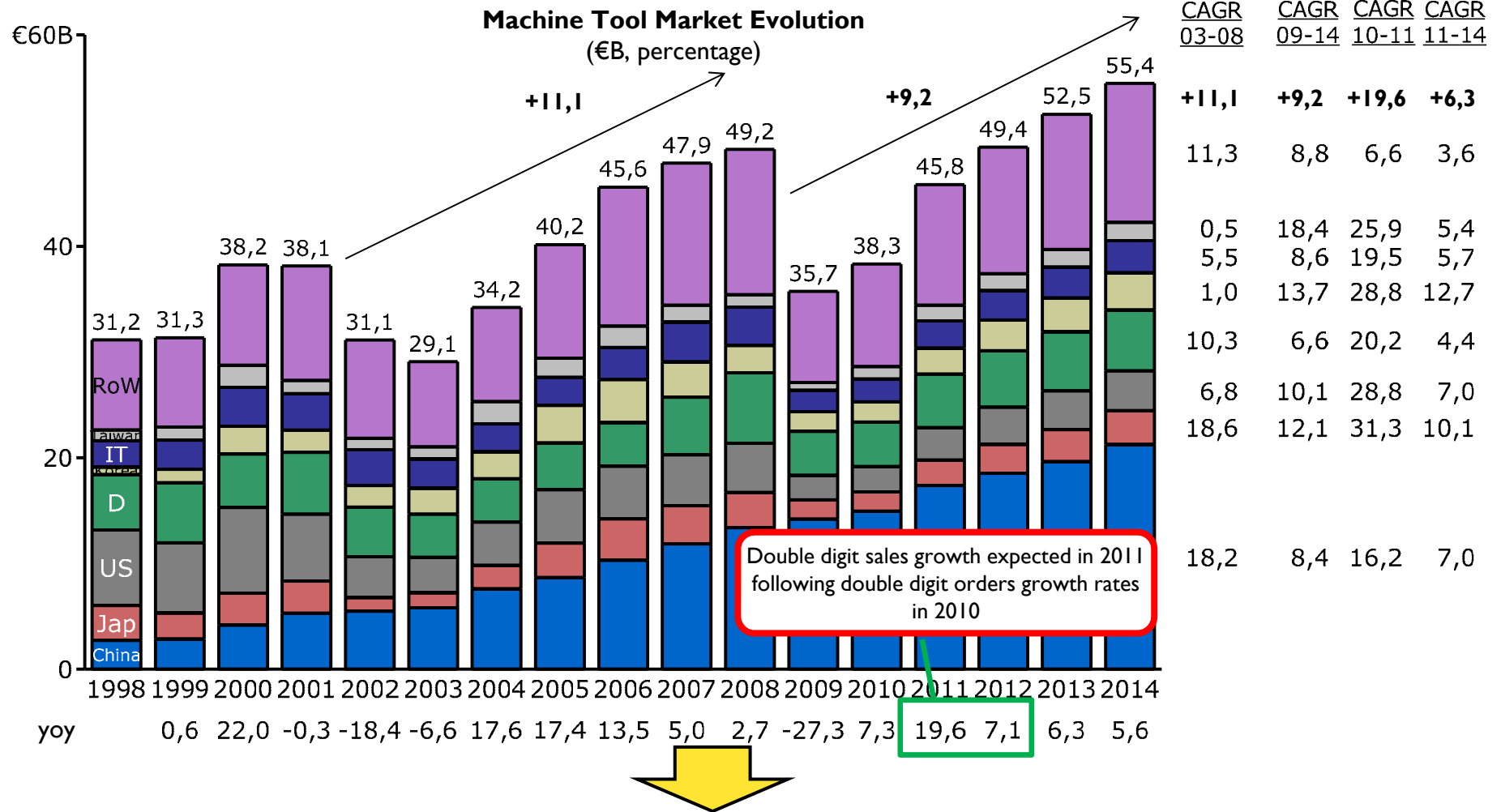


B. FINANCIALS





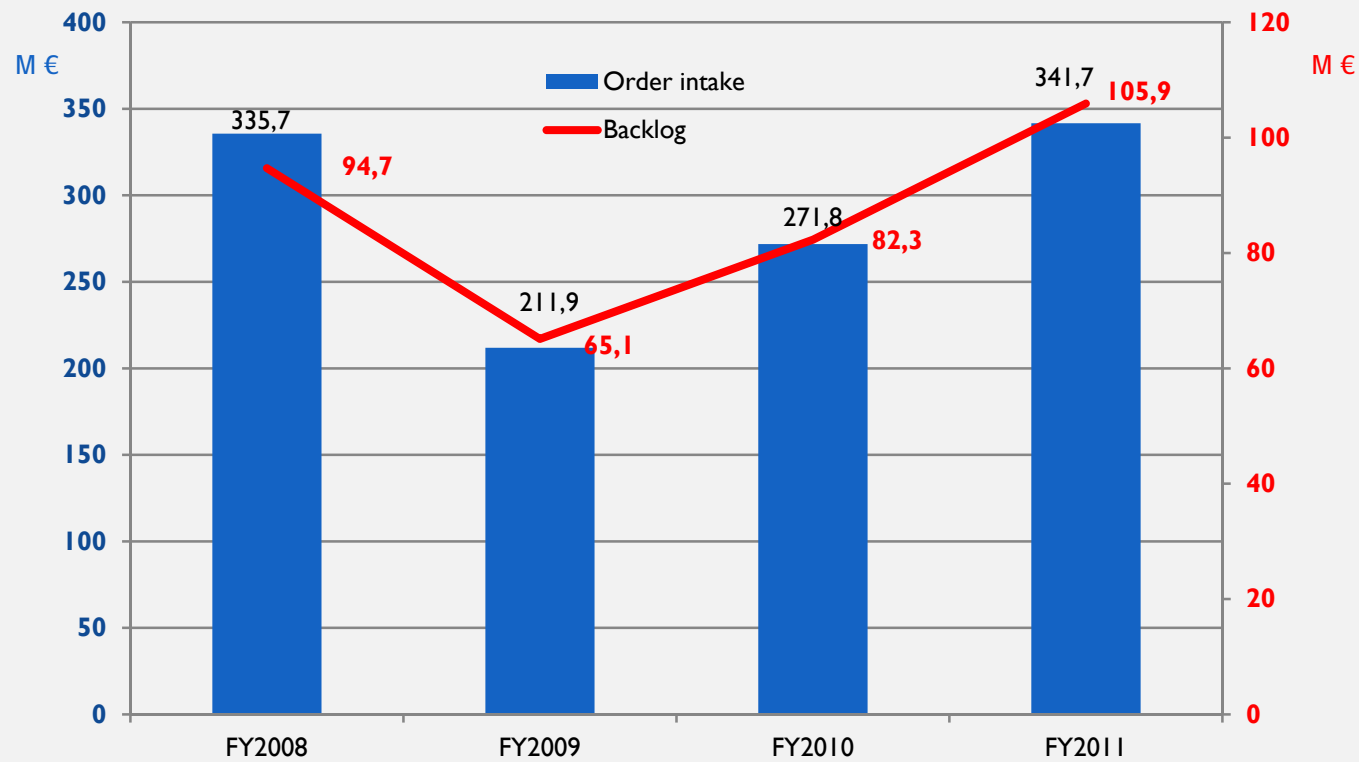
Market trends



Flat growth and cyclicity of developed markets (e.g. Western Europe, USA, Japan) completely offset by solid growth of developing markets (e.g. China, Korea, Russia, Turkey)

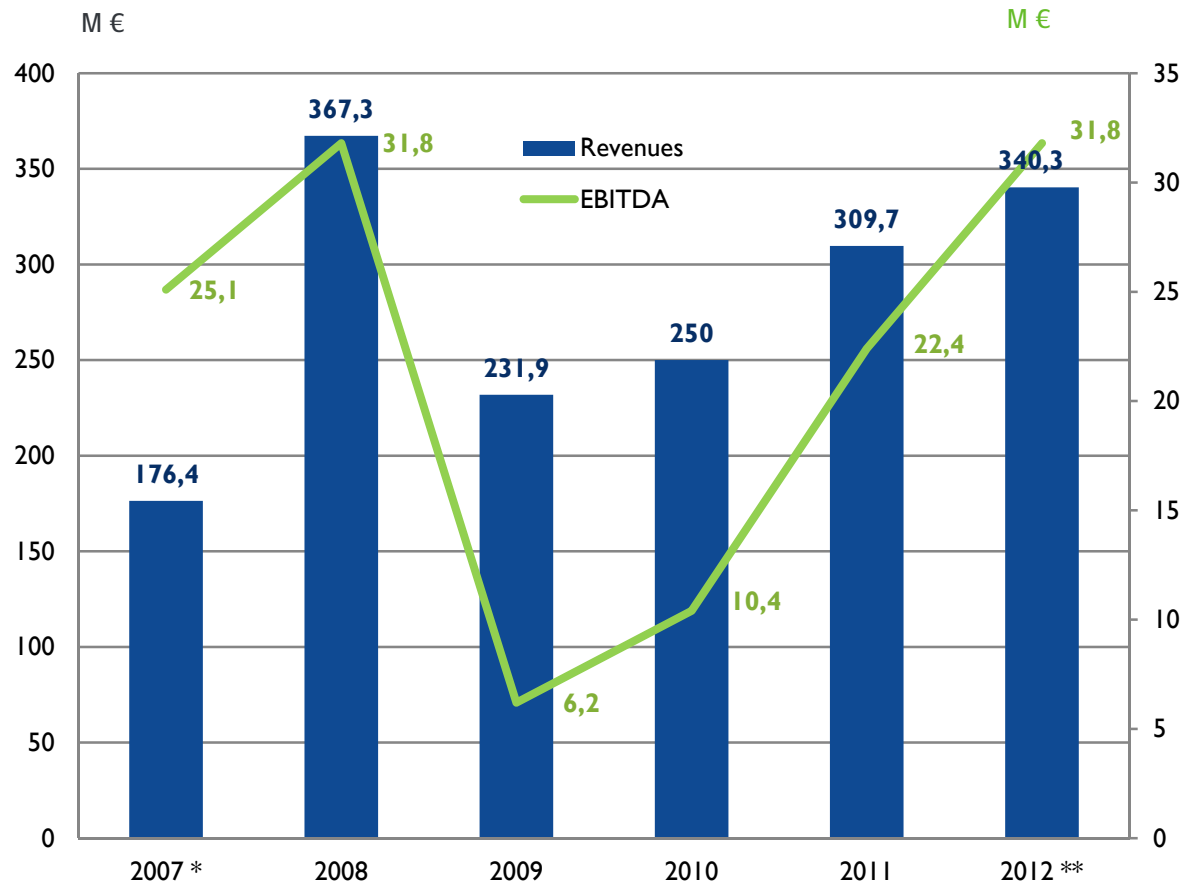


Order intake & backlog

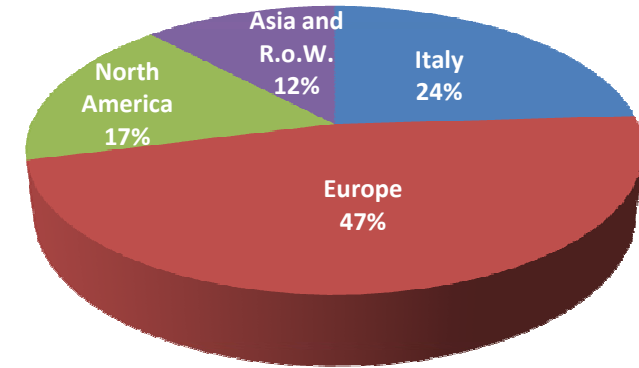




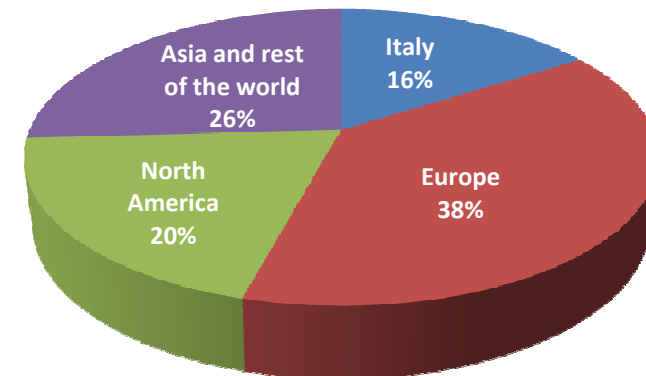
Revenues & profitability



Revenues by geography
2007 *



Revenues by geography
2011

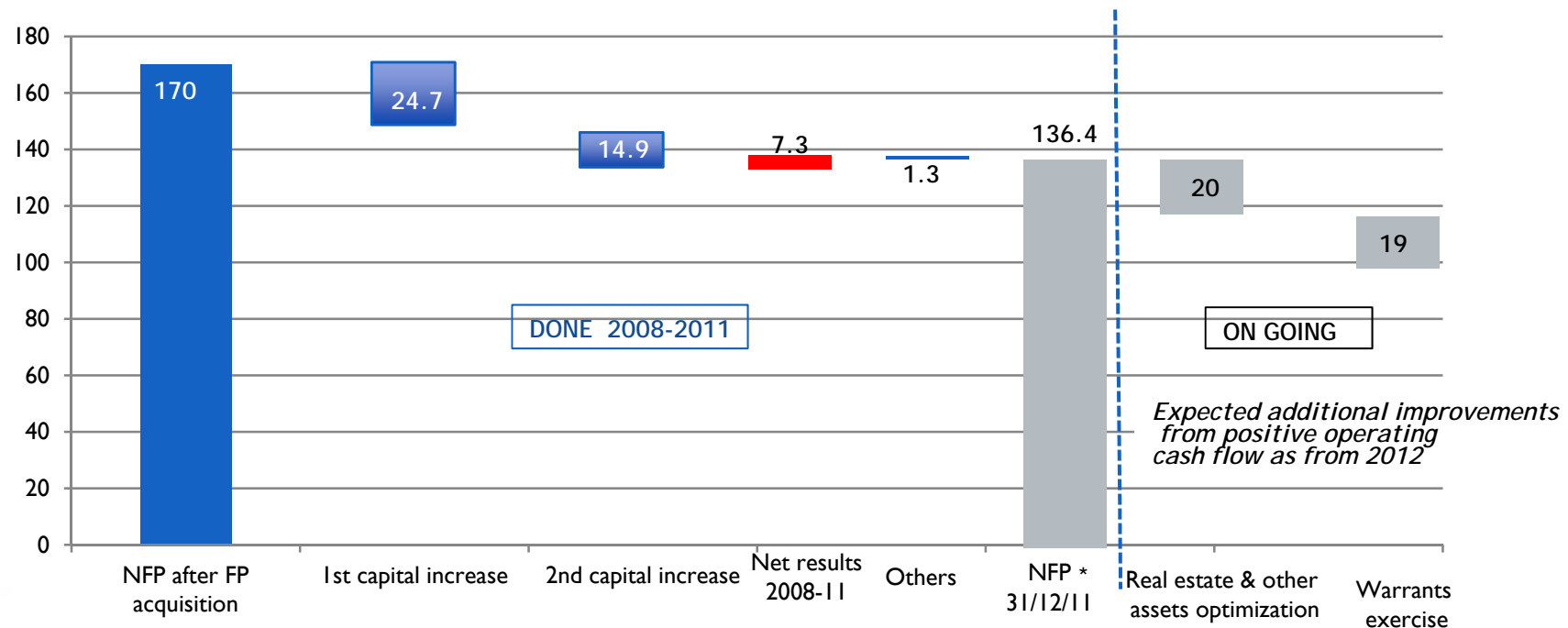


(*) = prior to Finn-Power acquisition
(**) = according to analysts' consensus



Net financial position & deleveraging

| EVENT | AMOUNT | TIMING |
|--|----------------|----------------------|
| Net financial position after Finn-Power acquisition: | <u>170 M €</u> | |
| • 1 st capital increase (14.25 €/share): | 24.7 M € | 2008 |
| • 2 nd capital increase (6.80 €/share): | 14.9 M € | 2009-10 |
| • Net results 2008-2011: | 7.3 M € | 2008-11 |
| • Real estate & other assets optimization: | 20 M € | In progress/Planned |
| • Warrants exercise: | 19 M € | Expected within 2013 |



(*) = NFP includes derivatives and leasing for about 10 M €



Bank facilities & covenants

FINPOLAR loan contract, amended on July 29, 2011

The loan includes:

| TRANCHE | AMOUNT | REIMBURSEMENT |
|---------------------------|--------------------------------|--|
| Bullet tranche | Principal amount 63.4 M€ | Due date 2016 |
| Two amortizing tranches | Total principal amount 40.6 M€ | Half-yearly even installments up to 2015 |
| Two working capital lines | Total amount 30.2 M€ (*) | Self liquidating |

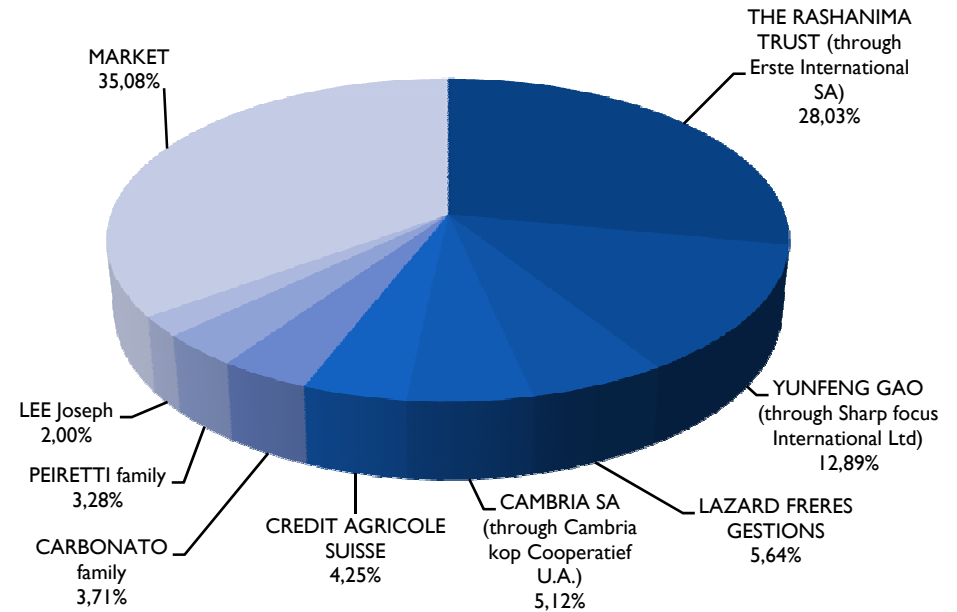
The spread currently paid on Euribor is an average 195-230 basis points.

New covenants have been agreed, based on a Group business plan with adequate headroom

(*)= including accrued interests



Stock price & shareholders





Analysts' coverage

Prima Industrie
Italy/Industrial Engineering

Target price: EUR 10.25

Accumulate

Recommendation unchanged

Share price: EUR 9.40

closing price as of 14/03/2012

Target price: EUR 10.25

from Target Price: EUR

Factors/Discount

Market capitalisation (EURM)

Current N° of shares (m)

Free float

Daily avg. no. trad. sh. 12 mth

Daily avg. trad. vol. 12 mth (m)

Price high 12 mth (EUR)

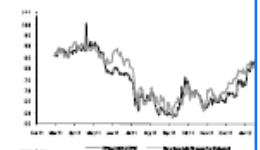
Price low 12 mth (EUR)

Abs. perf. 1 mth

Abs. perf. 3 mth

Abs. perf. 12 mth

| Key financials (EUR) | 12/11 | 12/12e | 12/13e |
|-----------------------------|-------|--------|--------|
| Sales (m) | 310 | 343 | 365 |
| EBITDA (m) | 22 | 31 | 37 |
| EBITDA margin | 7.2% | 9.0% | 10.2% |
| EBIT (m) | 12 | 21 | 27 |
| EBIT margin | 4.0% | 6.1% | 7.4% |
| Net Profit (adj.)(m) | 2 | 8 | 12 |
| ROCE | 4.6% | 7.5% | 9.4% |
| Net debt/(cash) (m) | 136 | 130 | 121 |
| Net Debt/Equity | 1.7 | 1.5 | 1.2 |
| Debt/EBITDA | 6.1 | 4.2 | 3.3 |
| Int. cover(EBITDA/Fin. int) | 2.4 | 3.4 | 4.3 |
| EV/Sales | 0.7 | 0.7 | 0.6 |
| EV/EBITDA | 9.9 | 7.8 | 6.2 |
| EV/EBITDA (adj.) | 9.9 | 7.8 | 6.2 |
| EV/EBIT | 17.7 | 11.5 | 8.6 |
| P/E (adj.) | 29.7 | 10.3 | 6.8 |
| P/BV | 0.7 | 0.9 | 0.8 |
| OpFCF yield | 26.7% | 32.6% | 23.2% |
| Dividend yield | 0.0% | 0.0% | 0.0% |
| EPS (adj.) | 0.22 | 0.92 | 1.37 |
| BVPS | 9.27 | 10.19 | 11.56 |
| DPS | 0.00 | 0.00 | 0.00 |



Shareholders: Management 54%; Financial Investors 7%

FY 11 results and growing order portfolio in February

The facts: Prima Industrie published its FY 11 results yesterday afternoon.

PRIMA INDUSTRIE: FY 11 results

| Key financials (EUR) | 12/11 | 12/12e | 12/13e |
|-----------------------------|-------|--------|--------|
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| EV/EBITDA (adj.) | 9.9 | 7.8 | 6.2 |
| EV/EBIT | 17.7 | 11.5 | 8.6 |
| P/E (adj.) | 29.7 | 10.3 | 6.8 |
| P/BV | 0.7 | 0.9 | 0.8 |
| OpFCF yield | 26.7% | 32.6% | 23.2% |
| Dividend yield | 0.0% | 0.0% | 0.0% |
| EPS (adj.) | 0.22 | 0.92 | 1.37 |
| BVPS | 9.27 | 10.19 | 11.56 |
| DPS | 0.00 | 0.00 | 0.00 |

BANCA IMI

Equity Company Note

Prima Industrie

Good Ending and Good Beginning for Order Intake

BUY

Target Price: **EUR 11.60**
(from EUR 10.80)

Prima Industrie - Key estimates and data

| Y/E December | 2011A | 2012E | 2013E |
|--------------|--------------|--------|--------|
| Revenues | EUR M 309.70 | 337.57 | 364.58 |

Prima Industrie - Key estimates and data

| Y/E December | 2011A | 2012E | 2013E |
|---------------|--------------|--------|--------|
| Revenues | EUR M 309.70 | 337.57 | 364.58 |
| EBITDA | EUR M 22.44 | 32.55 | 36.61 |
| EBIT | EUR M 12.50 | 22.35 | 26.21 |
| Net income | EUR M 1.93 | 9.35 | 12.16 |
| Dividend ord. | EUR 0.00 | 0.00 | 0.00 |
| Adj. EPS | EUR 0.22 | 1.08 | 1.26 |
| EV/EBITDA | x 9.78 | 6.55 | 5.60 |
| Adj. P/E | x 42.48 | 8.78 | 6.75 |

revenue, grew by 40.6%; North America with a weighting of 20.4% on total revenue grew by 34.4%; Rest of the World with a weighting of 25.8% on total revenue grew by 23.7%. On the other hand, Italy (15.6% of total revenue) declined by 11%, but in 2010, the Italian market was stimulated by Tremonti Ter fiscal incentives. Prima Power, the machinery division accounting for 86.4% of total revenue, increased its revenue by 23.4%, while Prima Electro (the components division) revenue increased by 18.3%.

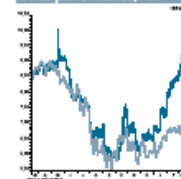
• **FY11A EBITDA more than doubled, a significant net income in 4Q11A.** Looking at costs, in FY11A raw materials grew by 27.7%. The weighting on the value of production was 46% (+30 bps vs. FY10), but we highlight a high value in 4Q11A (47.1%), after it had stabilised in 2Q11 and 3Q11 at around 44.5%. FY11A labour costs grew by 7.1%, with a weighting on the value of production of 24.9%, 460bps lower than in FY10, showing the increase in productivity achieved in the last 12 months. FY11A EBITDA was EUR 22.4M, +116% yoy, with an approx. 6.9% margin on the value of production. We highlight the EBITDA margin improvement achieved in FY11A: 4.3% in 1Q11, 5.8% in 2Q11, 7.1% in 3Q11, 9.1% in 4Q11A. Net income was EUR 1.9M vs. the EUR 6M loss in FY10. We highlight that in 4Q11A the company posted a EUR 5.1M profit, thanks to quarterly revenue of EUR 106.3M and an EBITDA margin (on revenue) of 8.9%. Net debt was EUR 136.4M, decreasing vs. 9M11 (EUR 146.5M) and vs. FY10 (EUR 141.3M).

• **Change of estimates and valuation.** We slightly revised upwards our 2012E revenue estimate and adjusted other items to incorporate: 1) a stronger FY11A top line than our estimates; 2) a lower FY11A debt than our estimates; and 3) the current portfolio of EUR 120.5M. We confirmed our EBITDA margin in 2012E-13E (9.6% and 10%, respectively). We value Prima Industrie with a DCF model, using the following key assumptions in our valuation: a 7.9% WACC (risk-free rate of 5.5%, an equity risk premium of 6%, gearing of around 54%, including warrant exercises), and a conservative 0% terminal value growth. We adopt a fully diluted approach, thus reducing debt by around EUR 19M and increasing shares by 2.24M. We obtain a target price of EUR 11.60/share and rate the company a BUY.

• **Key risks.** The Prima Industrie top line is exposed to the worldwide economic cycle, and a slow down could put margins and debt reduction at risk. In our estimates the ratio of net debt to EBITDA also remains high in 2013E, even in the case of warrant exercises (2.6x).

Alberto Francese
Marta Caprini
Serena Polini

Price performance, -1Y



Source: Thomson Reuters

Data priced on 15.03.2012

| | |
|--------------------|---------------------|
| Target price (€) | 11.60 |
| Target upside (%) | 22.07 |
| Market price (€) | 9.50 |
| 52-week range (€) | 10/5.9 |
| Market cap (€ M) | 82.08 |
| No. of shares (M) | 8.64 |
| Free float (%) | 42.5 |
| Major shareholder | Rashnima, Trust, 28 |
| Reuters | PR11MI |
| Bloomberg | PR11M |
| FTSE It All Shares | 17998 |

| Performance % | | | |
|---------------|---------------------|------|------|
| Absolute | Rel. to FTSE All Sh | | |
| -1M | 13.9 | -1M | 11.1 |
| -3M | 45.9 | 3M | 28.7 |
| -12M | 11.2 | -12M | 29.4 |

Source: Intesa Sanpaolo Research estimates and Thomson Reuters



APPENDIX

- Products
- Customers



Prima Power: product range

The Punch



The Punch

The Laser



The Laser

The Bend



The Bend

The Combi



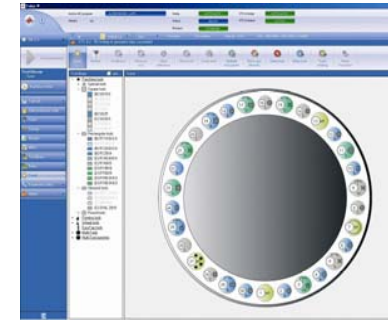
The Combi

The System



The System

The Software



The Software



Prima Power: product range

HYDRAULIC AND SERVO-ELECTRIC PUNCHING

The Punch



Ex series



E series



C series

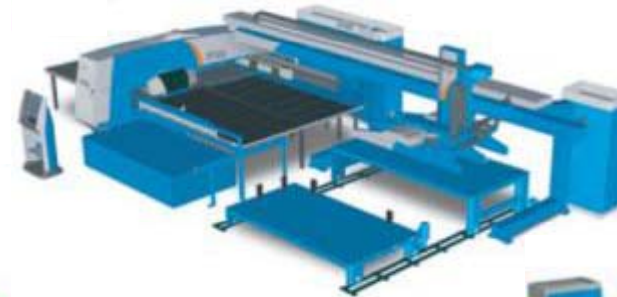
The Laser

The Bend

The Combi

The System

The Software



Material handling





Prima Power: product range

2D LASER CUTTING MACHINES CO₂ and fiber lasers

The Punch

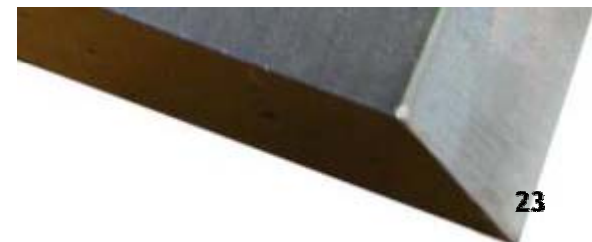
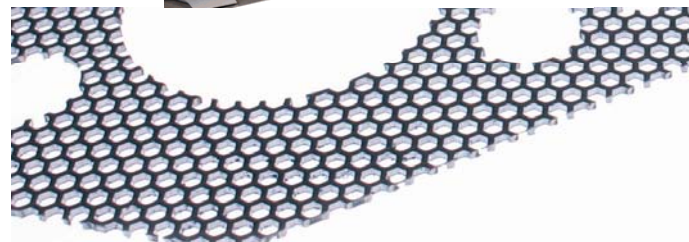
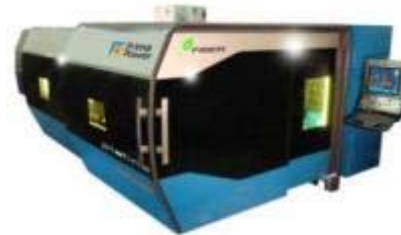
The Laser

The Bend

The Combi

The System

The Software





Prima Power: product range

3D LASER MACHINES CO₂, fiber and Nd:YAG lasers

The Punch

The Laser

The Bend

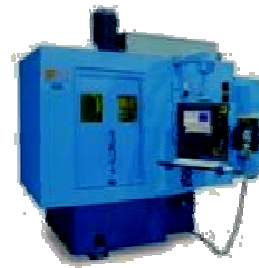
The Combi

The System

The Software



CUTTING, WELDING, DRILLING





Prima Power: product range

PRESS BRAKES, PANEL BENDERS, BENDING CELLS
Hydraulic and servo electric technology

The Punch

The Laser

The Bend

The Combi

The System

The Software





Prima Power: product range

INTEGRATED PUNCHING/LASER AND PUNCHING/SHEARING
Hydraulic and servo electric technology

The Punch

The Laser

The Bend

The Combi

The System

The Software



Integrated punching/shearing



Integrated punching/laser cutting





Prima Power: product range

A COMPLETE LINE OF AUTOMATION AND FMS

The Punch

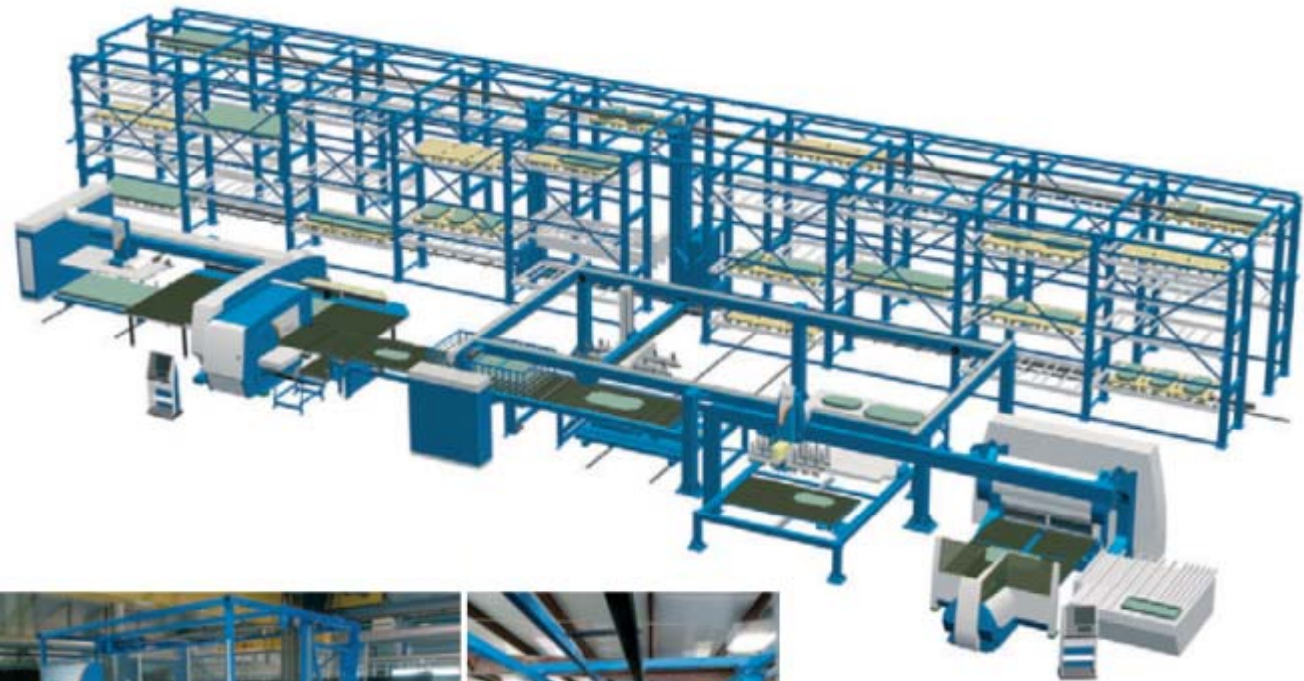
The Laser

The Bend

The Combi

The System

The Software





Prima Power: product range

CAD/CAM AND PRODUCTION MANAGEMENT SOFTWARE

The Punch

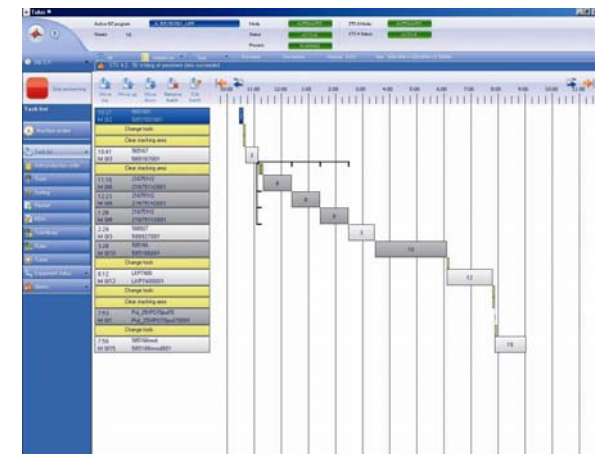
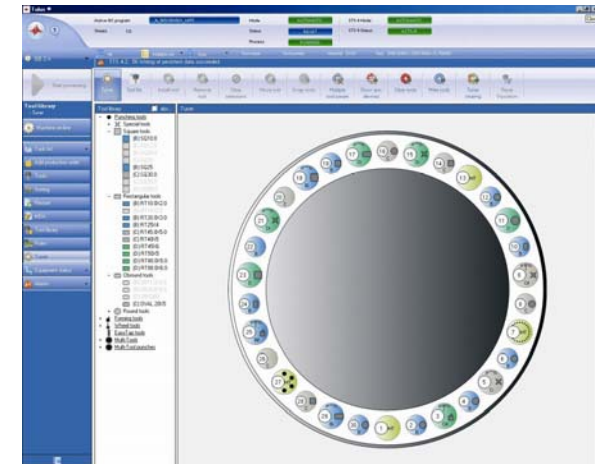
The Laser

The Bend

The Combi

The System

The Software





Prima Power - selected customers







Prima Power - selected customers



STILL
NISSAN FORKLIFT
Linde
Jurop
TORO



Electrolux
Whirlpool
WOLF
HAAKON INDUSTRIES
RIELLO
HUSKVARNA
Miele
imperial
Halton
KESSEBÖHMER
KOJA
ARISTON
NOVENCO
Dantherm Filtration
systemair

Miscellanea

Dedicated to People Flow
KONE
Schindler
OTIS
infrico
BRP
IDE Technologies It.d.
SIGNATURE
ABLOY
kaizen signs
ØGLENDSYSTEM
DLoco
大連機車

Contract manufacturing

EATON
MECANOVA
Nu-Way Industries, Inc.
ILTOM GROUP
METALLISET GROUP
Hiasa Grupo Gasvanti
LASERLAM
SANMINA-SCI
FOXCONN
SIDERSTAMP S.A.S.
VG Venezia Gnoato
VERONALAMIERE Centro lavorazione lamiera
SIDERURGICA LUGHESE s.r.l.
dinamic
cnc plát
ANACONDA



Prima Electro: product range



convergent



dots

osai



Prima Electro designs, manufactures and markets for its customers industrial-grade dedicated electronics and laser sources at competitive prices and fast time-to-market



Prima Electro - selected customers

Industrial

Atlas Copco
IREM
CAMPETELLA
MYDATA
NEGRI BOSSI

Transport

ALSTOM
CENTRO RICERCHE FIAT
ANSALDO BREDA
ATM OCLAP
PSA PEUGEOT CITROËN

Motion control

ABB AIR LIQUIDE
MOTOR POWER GROUP LVD
Nikon COMALI
Agilent Technologies
Prima Power PHASE

Wood / Plastic

PROLINO BRACCI scmgroup
BIESSE GEDA
COSMEC CMS
SAOM COMEC UNITEAM
belotti COMAC
C.R. ONSRUD

Energy

LOMBARDINI
Eni Saipem
electro

Consumer

bticino
easydom
Comelit
TECHNOGYM

Glass / Stone

Bottero FORVET
CMS Brembana
DENVER
COMANDULLI MARCHETTI

Defence & Aerospace

SAAB