



BORSA ITALIANA - STAR segment

PRESS RELEASE

PRIMA INDUSTRIE S.P.A. BOARD OF DIRECTORS
APPROVES 2021 - 2023 INDUSTRIAL PLAN

MAIN TARGETS OF THE PLAN:

- **IMPORTANT ORGANIC GROWTH IN REVENUES TO 500+ M€**
- **SIGNIFICANT IMPROVEMENT IN MARGINALITY WITH EBITDA AT APPROX. 13% IN 2023**
- **POSITIVE NET FINANCIAL POSITION AT THE END OF THE PLAN (EXCLUDING IFRS16 IMPACT)**

Collegno (TO), March 2, 2021 - The Board of Directors of Prima Industrie SpA, a leading company in the high-tech sector of laser systems and sheet metal processing and electronic components for industrial applications, met today to approve the Group 2021-2023 Industrial Plan.

The Plan assumes, as envisaged by influential external sources (CECIMO, UCIMU), a significant recovery of the reference markets starting from mid-2021 and the beginning of a new multi-year positive cycle in the following years.

In particular, it is expected a strong growth in the Chinese market and in the APAC area in general, with AMERICAS and EMEA improving at a slower pace (possibly accelerating as a result of public support measures such as “Next Generation EU” and “Transizione 4.0”).

As for reference sectors, Aerospace and Automotive are still expected to be critical in the period, although a recovery is expected compared to 2020 thanks to the contribution of the Space Economy and E-Mobility sectors.

On the other hand, the sectors linked to macro-trends such as Urbanisation, Infrastructure, Connectivity and the Green Economy are showing a strong recovery.

In order to achieve the challenging targets set out in the plan, Prima Industrie will adopt a new organization model which provides, in addition to central staff functions, four Business Units with a strong technological and regional connotation, allowing for a better focus of activities in the respective business areas. This implies a simplification of the structure and greater decentralisation of activities, which will be achieved thanks to the development of local technical skills and the introduction of digitisation tools.

The **Prima Power** Business Unit (laser machines and systems and sheet metal processing), representing over 80% of the Group turnover, bases its growth expectations, besides the forecasted market recovery, on the following assumptions:

- Evolution of the product range through major investments in software and automation and introduction of a new family of “volume booster” products;
- Improvement of customers’ service thanks to a new Global Organisation (“thinkglobal.servelocal”) oriented towards Customer Satisfaction and made possible by the Group current worldwide footprint;
- Further growth in After-Sale Revenues (already at around 30% in 2020) through a more efficient employment of human resources and new digital technologies (Remote Troubleshooting, Augmented Reality, Predictive Maintenance), already partially implemented.

The expected improvement in margins comes from the following actions, in addition to the expected growth in volumes:

- Optimisation of the organisation and savings in the Procurement function;
- Reduction of installation times and costs, also thanks to the use of new digital technologies;
- Rationalisation 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);
- Greater digitalisation of business processes (updating and integration of ERP and PLM systems, rollout of PST system for the After-Sale management, etc).

Prima Electro Business Unit (industrial electronics) also expects 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 are expected to remain stable over the period.

Convergent Photonics Business Unit (optoelectronics and fiber laser sources), which experienced a previous period of strong investments and negative impact on the Group EBIT, will carry out a complete turnaround during the plan period. This will be made possible thanks to repositioning in niche sectors with better margins following the impairment of a net amount of 8.5 million euro (approved today by the Board of Directors)

Prima Additive Business Unit (additive manufacturing), although starting from still limited volumes of revenues, will more than double its revenues thanks to new products in the DED sector (Repairing - Circular Economy) and in the PBF (Aerospace, Automotive and Energy markets).

A possible spin-off of the Business Unit will be evaluated in the period, aimed to create value due also to the valuation criteria of the companies operating in the Additive Manufacturing segment.

Finally, it should be noted that the Plan does not include M&A transactions, in particular the exercise of the call option on a controlling stake of the Chinese company Lead Laser, currently 19% is held by Prima Power Suzhou. The timing of the call exercise has been moved to 2022, given the impact of the COVID-19 pandemic.

A strengthening of the Group's capital structure is also expected, also thanks to expected cash generation, which will help finance the investment plan and allow for the planning of adequate remuneration for shareholders.

Last, but not least, the Plan provides a growing commitment to sustainability and CSR targets, in particular with machines and plants which are increasingly environment friendly and with particular attention to human resources (diversity, training) that represent a fundamental asset for the future of the Group.

PRIMA INDUSTRIE heads a leading Group in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery, as well as industrial electronics and laser technologies.
The parent company Prima Industrie S.p.A. is listed on the Italian Stock Exchange since 1999 (MTA- STAR segment).
With 40 years of experience the Group can count on about 14,000 machines installed in more than 80 countries worldwide and is among the main worldwide manufacturers in its own reference market.

The Group has about 1,750 employees and manufacturing sites in **Italy, Finland, USA and China**. Remarkable is as well its direct commercial and after-sales presence in BRIC, NAFTA, European Union and other emerging Asian countries.

The Prima Industrie Group is structured on 3 Business Units:

Laser and sheet metal processing machines (Prima Power): including design, manufacturing and marketing of:

- Laser machines for cutting, welding and drilling of 3D and 2D components.
- Machines for sheet metal treatment by means of mechanical tools (punching machines, combined punching/shearing systems, combined punching/laser cutting systems, panel benders and automation systems).

Industrial electronics and laser technologies (Prima Electro): including development, manufacturing and marketing of power and control electronics, and of high-power laser sources for industrial applications, destined both to the Group machines and to third parties.

Additive Manufacturing (Prima Additive): dedicated to the design, production and marketing of turnkey solutions for the main technologies in the field of Additive Manufacturing; Prima Additive's product range includes both Additive Manufacturing technologies: Powder Bed Fusion - PBF (powder bed fusion) and Direct Metal Deposition - DMD (direct deposition of metals), as well as the related application support and services.

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