



BORSA ITALIANA - STAR segment

PRESS RELEASE

INTERIM FINANCIAL REPORT AS AT JUNE 30, 2021

(in brackets results as at 30/06/2020, unless otherwise specified)

EXCELLENT PERFORMANCE of ORDERS' ACQUISITION

(+62.5% compared to 30/06/2020 and +20.5% compared to 30/06/2019),

GROWTH IN TURNOVER AND

SIGNIFICANT IMPROVEMENT OF THE NET FINANCIAL DEBT

- Consolidated REVENUES at 184.0 M€ (+16.8% compared to 157.6 M€; +20.6% at constant exchange rates);
- EBITDA at 11.8 M€, equal to 6.4% of revenues (compared to 10.1 M€); adjusted EBITDA at 13.9 M€, equal to 7.6% of revenues (compared to 12.2 M€);
- EBIT at 2.1 M€ (compared to -0.9 M€); adjusted EBIT at 4.3 M€ (compared to 1.2 M€);
- NET RESULT at -0.5 M€ (compared to -3.1 M€); the net result of second quarter is positive for 1.0 M€;
- NET FINANCIAL DEBT at 84.2 M€ (including 35.3 M€ of leasing), strongly reducing compared to 123.2 M€ at 30/06/2020 and to 96.3 M€ at 31/12/2020;
- ORDER BACKLOG at 169.7 M€ (compared to 126 M€ at 30/06/2020 and 124.7 M€ at 31/12/2020).

Collegno (TO), July 29, 2021 - The Board of Directors of Prima Industrie S.p.A, a company leader in the high technology sector of laser systems and sheet metal processing and electronic components for industrial applications, met today to approve the Financial Interim Report at 30/06/2021.

At the end of the meeting, the Executive Chairman, Gianfranco Carbonato, commented: *"The economic and financial indicators showed a significant recovery compared to the previous year thanks to the good performance of all our reference markets, with the exception of the aerospace market, whose recovery will take longer."*

Considering the high order acquisition in the first half and the significant backlog as of 30/06/2021, the Group confirms the expectations for an increase in revenues and profitability in the second half of the year ”.

The Group revenues as of 30/06/2021 are at 184,034 thousand euro, with an increase of 16.8% compared to 2020. At constant exchange rates, the consolidated turnover as of 30/06/2021 would have increased by 20.6% compared to 30/06/2020.

The consolidated revenues are shown below through a geographical breakdown as at 30/06/2021 compared with the corresponding period of the previous year:

REVENUES	30/06/21		30/06/20	
	Euro thousand	%	Euro thousand	%
SEMEA (*)	62.042	33,7	46.062	29,2
NORTH EUROPE	40.575	22,0	43.754	27,8
AMERICAS	49.457	26,9	49.577	31,5
APAC	31.960	17,4	18.181	11,5
TOTAL	184.034	100,0	157.574	100,0

(*) South Europe, Middle East & Africa

The above table shows that the Group revenues as of 30/06/2021 (compared with the corresponding period of the previous year) had a significant recovery in SEMEA (+34.7%) and APAC (+75.8 %). The trend is stable in the AMERICAS (-0.2%), which is the area less affected by the crisis linked to Covid-19 in 2020, while in the NORTH EUROPE area, which in the first part of last year was not significantly affected by the pandemic yet, a decrease was registered (-7.3%).

The main destination countries in the SEMEA area were Italy (21.1% of consolidated revenues), Poland and Eastern Europe (4.3% of consolidated revenues) and Spain and Portugal (3.8% of consolidated revenues). The main countries of destination in NORTH EUROPE area were Finland and the Baltic countries (6.4% of consolidated revenues), the DACH countries (5.7% of consolidated revenues), Russia (4.1% of consolidated revenues) and Benelux (4.1% of consolidated revenues).

The share of revenues realized in the AMERICAS went from 49,577 thousand euro to 49,457 thousand euro, of which 38,743 thousand euro in the United States. At constant exchange rates, the turnover of this area would have grown by 8.2%.

In the APAC area, revenues grew by 75.8% compared to 2020, passing from 18,181 thousand euro to 31,960 thousand euro. The increase is linked to the revenues realized in China, which went from 10,366 thousand euro (at 30/06/2020) to 18,855 thousand euro (at 30/06/2021) and in India, where revenues grew from 871 thousand euro to 2,753 thousand euro.

Below are the main economic indicators of the Group split by Division, compared with the corresponding period of the previous year:

30/06/21	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	170.334	36.003	21,1%	11.497	6,7%	3.502	2,1%	463
PRIMA ELECTRO	24.784	2.970	12,0%	522	2,1%	(1.204)	-4,9%	(884)
CONSOLIDATION	(11.084)	(224)	-	(175)	-	(175)	-	(122)
GROUP	184.034	38.749	21,1%	11.844	6,4%	2.123	1,2%	(543)

(% calculated over the revenues)

Values in Euro thousand

30/06/20	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	147.369	30.942	21,0%	10.098	6,9%	1.551	1,1%	567
PRIMA ELECTRO	20.804	2.121	10,2%	11	0,1%	(2.418)	-11,6%	(1.582)
CONSOLIDATION	(10.599)	(28)	-	(46)	-	(46)	-	(2.133)
GROUP	157.574	33.035	21,0%	10.063	6,4%	(913)	-0,6%	(3.148)

(% calculated over the revenues)

As from April 1st, 2021 the Group introduced a new organization with a structure based on four Business Units: Prima Power, Prima Electro, Convergent Photonics and Prima Additive.

In the above table, the data shown for Prima Power also include those of Prima Additive BU and data shown for Prima Electro also include those of Convergent Photonics BU.

The Group **EBITDA** as at 30/06/2021 is 11,844 thousand euro, equal to 6.4% of revenues, against 10,063 thousand euro, equal to 6.4% of revenues, as of 30/06/2020.

EBITDA was negatively affected by non-recurring costs for 2,099 thousand euro (as of 30/06/2020 they were 2,131 thousand euro); therefore the **adjusted EBITDA** is 13,943 thousand euro (equal to 7.6% of revenues). In particular, in the second quarter of the year, the adjusted EBITDA was equal to 8,281 thousand euro (i.e. approximately 8.1% of the quarterly turnover).

The Group **EBIT** as at 30/06/2021 is positive for 2,123 thousand euro, equal to 1.2% of revenues against the negative 913 thousand euro, equal to -0.6%, of the previous year revenues.

Such result is affected by:

- amortization of intangible fixed assets for 4,121 thousand euro (relating to development costs for 2,811 thousand euro and to the brand registered as part of the business combination of the FINN-POWER Group for 954 thousand euro) and write-downs for 61 thousand euro.
- amortizations of tangible fixed assets for 5,540 thousand euro.

EBIT at 30/06/2021 is affected by non-recurring costs equal to 2,160 thousand euro; consequently, **adjusted EBIT** is equal to 4,283 thousand euro (2.3% of revenues). In particular, in the second quarter of the year, adjusted EBIT was equal to 3,453 thousand euro (equal to approximately 3.4% of the quarter turnover).

The Group **EBT** at 30/06/2021 is positive for 71 thousand euro against the negative 3,705 thousand euro at 30/06/2020.

The Group EBT discounts net charges deriving from financial management (including profits and losses on exchange rates) for 1,992 thousand euro (as of 30/06/2020 they were equal to 2,747 thousand euro).

The **NET RESULT** of the Group as at 30/06/2021 is negative for 543 thousand euro against the negative 3,148 thousand euro as at 30/06/2020; while the Net Result attributable to the parent company is negative for 629 thousand euro. In particular, the net result for the second quarter was positive for 1,005 thousand euro.

* * * * *

At 30/06/2021 the Group Net Financial Debt amounted to 84,213 thousand euro, showing an improvement compared to 123,246 thousand euro at 30/06/2020 and to 96,274 thousand euro at 31/12/2020.

In addition to the cash amounting to approximately 58 million euro, the Group has also available unused credit lines for approximately 54 million euro as of 30/06/2021.

Below is a breakdown of the Group net debt:

<i>Values expressed in Euro thousand</i>	30/06/21	31/12/20	30/06/20
NON CURRENT FINANCIAL ASSETS	(4.233)	(4.233)	(4.233)
CASH & CASH EQUIVALENTS	(58.023)	(62.999)	(42.014)
CURRENT FINANCIAL ASSETS	(407)	(423)	(568)
CURRENT FINANCIAL LIABILITIES	45.976	52.861	51.189
NON CURRENT FINANCIAL LIABILITIES	65.590	75.336	78.671
NET FINANCIAL DEBT (before leasing)	48.903	60.542	83.045
LEASING LIABILITIES	35.310	35.732	40.201
NET FINANCIAL DEBT	84.213	96.274	123.246

* * * * *

During the first half of 2021 the **order acquisition** of the Group (including the after-sale service) amounted to 228.8 million euro, increasing by 62.5% compared to 140.8 million euro at 30/06/2020 and 20.5% compared to 30/06/2019). In particular, orders for machines only grew by 99%, that is at a higher pace than what reported by UCIMU (Italian Association of Machine Tool Manufacturers) on both the Italian and foreign markets.

The consolidated **backlog** (not including the after-sale service) as at 30/06/2021 is increasing to 169.7 million euro compared to 126.0 million euro at 30/06/2020.

“The manager responsible for preparing the company financial reports, Marco Pintauro, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Law, that the accounting information contained in this press release corresponds to the documentary findings, books and accounting records”.

The document containing the Financial Interim Report as at 30/06/2021 shall be filed and made available at the Company registered office and on the website www.primaindustrie.com as well as on the authorized storage mechanism www.1info.it, according to law terms.

The alternative performance indicators used and accompanied by the relevant explanation which reflects their content and the basis of calculation are as follows:

- Revenues at constant exchange rates are determined by applying the prior year average exchange rates to current year revenues expressed in local currency;
- EBIT (which corresponds to the "Operating result");
- EBITDA ("Profit before interests, taxes and amortizations"), which is determined by adding to the "Operating Profit" in the financial statements both the item "Amortizations" and the item "Impairment and write-downs";
- EBT (which corresponds to the "Profit before tax");
- Adjusted EBITDA, EBIT and EBT correspond to the mentioned alternative performance indicators net of non-recurring items;
- Adjusted Net Result is calculated as adjusted Net Result of the non-recurring items included into the Adjusted EBT;
- Net Financial Indebtness, which includes cash, financial receivables (current and non-current), net of financial loans (current and non-current) and of the fair value of derivatives. The reconciliation with the financial debt required by ESMA document 32-382-1138 of 04/03/2021 is reported into the Explanatory Notes of the Half-Year Financial Report.

PRIMA INDUSTRIE heads a Group leader worldwide in developing, manufacturing and marketing of laser systems for industrial applications, sheet metal processing machinery as well as industrial electronics, laser sources and solution for additive manufacturing.

The parent company Prima Industrie S.p.A. is listed on the Italian Stock Exchange since 1999 (MTA- STAR segment).

With over 40 years of experience, the Group has an installed base of about 14,000 machines in more than 80 countries and is positioned among the main worldwide manufacturers within its own reference market.

The Group has about 1,700 employees, manufacturing sites in **Italy, Finland, USA and China** and a direct commercial and after-sale presence worldwide.

Prima Industrie Group is structured on four *Business Units*:

Prima Power - development, production and marketing of laser and sheet metal processing (2D and 3D laser machines, laser drilling systems, punching and combined systems, bending and paneling systems);

Prima Electro - development, production and marketing of embedded electronics for industrial applications;

Convergent Photonics - development and production of diodes and laser sources, both industrial and medical;

Prima Additive - development, production and marketing of additive manufacturing solutions with Powder Bed Fusion and Laser Metal Deposition technologies.

For further information:

PRIMA INDUSTRIE S.p.A.
Chiara Roncolini
Investor Relator
tel. 011 4103204
ir@primaindustrie.com

STUDIO MAILANDER
Carlo Dotta
Ufficio Stampa
tel. 011 5527311 mob. 333 2306748
c.dotta@mailander.it

CONSOLIDATED BALANCE SHEET

Values in thousand euro	30/06/2021	<i>of which related parties</i>	31/12/2020	<i>of which related parties</i>
Property, plant and equipment	64.124	-	64.281	-
Intangible assets	118.460	-	120.837	-
Investments accounted for using the equity method	334	334	394	394
Other investments	6.503	-	6.226	-
Non current financial assets	4.233	-	4.233	-
Deferred tax assets	18.377	-	17.656	-
NON CURRENT ASSETS	212.031		213.627	
Inventories	136.213	-	118.689	-
Trade receivables	83.100	2.264	77.624	2.129
Other receivables	8.843	-	8.732	-
Current tax receivables	5.705	-	5.013	-
Derivatives	70	-	365	-
Financial assets	337	-	58	-
Cash and cash equivalents	58.023	-	62.999	-
CURRENT ASSETS	292.291		273.480	
Assets held for sale	5.041	-	5.255	-
TOTAL ASSETS	509.363		492.362	
Capital stock	26.208	-	26.208	-
Legal reserve	5.242	-	5.213	-
Other reserves	68.082	-	66.461	-
Currency translation reserve	868	-	(1.225)	-
Retained earnings	60.623	-	70.164	-
Net result	(629)	-	(7.201)	-
Stockholders' equity of the Group	160.394	-	159.620	-
Minority interest	3.060	-	2.844	-
STOCKHOLDERS' EQUITY	163.454		162.464	
Interest-bearing loans and borrowings	94.812	-	105.318	-
Employee benefit liabilities	7.095	-	7.104	-
Deferred tax liabilities	4.484	-	4.759	-
Provisions	235	-	238	-
Derivatives	245	-	419	-
NON CURRENT LIABILITIES	106.871		117.838	
Trade payables	91.189	805	69.390	1.914
Advance payments	45.256	38	40.019	-
Other payables	22.363	283	19.244	486
Interest-bearing loans and borrowings	51.806	-	58.192	-
Current tax payables	7.694	-	5.704	-
Provisions	20.717	-	19.511	-
Derivatives	13	-	-	-
CURRENT LIABILITIES	239.038		212.060	
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	509.363		492.362	

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	30/06/2021	<i>of which related parties</i>	30/06/2020 (*)	<i>of which related parties</i>
Net revenues	184.034	3.019	157.574	600
Cost of goods sold	(145.285)	(840)	(124.539)	(82)
GROSS MARGIN	38.749		33.035	
Research and Development costs	(11.934)	15	(10.490)	22
Sales and marketing expenses	(12.539)	-	(11.451)	(10)
General and administrative expenses	(12.153)	(672)	(12.007)	(660)
OPERATING PROFIT (EBIT)	2.123		(913)	
<i>of which: non recurring items</i>	<i>(2.160)</i>		<i>(2.131)</i>	
Financial income	4.420	-	2.073	-
Financial expenses	(7.003)	-	(4.421)	-
Net exchange differences	591	-	(399)	-
Net result of investments accounted for using the equity method	(60)	(60)	(50)	(50)
Net result of other investments	-	-	5	-
RESULT BEFORE TAXES (EBT)	71		(3.705)	
<i>of which: non recurring items</i>	<i>(2.160)</i>		<i>(2.126)</i>	
Taxes	(614)	-	557	-
NET RESULT	(543)		(3.148)	
- Attributable to Group shareholders	(629)		(2.827)	
- Attributable to minority shareholders	86		(321)	
RESULT PER SHARE - BASIC (in euro)	(0,06)		(0,30)	
RESULT PER SHARE - DILUTED (in euro)	(0,06)		(0,30)	
EBITDA	11.844		10.063	

(*) For a better comprehension, the 2020 figures have been re-exposed.

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Values in Euro thousand</i>	30/06/2021	<i>of which related parties</i>	30/06/2020 (*)	<i>of which related parties</i>
Net result	(543)		(3.148)	
Adjustments (sub-total)	18.295	-	(2.594)	-
Depreciation, impairment & write-off	9.722	-	10.977	-
Net change in deferred tax assets and liabilities	(996)	-	(761)	-
Change in employee benefits	(9)	-	57	-
Change in inventories	(17.524)	-	(11.605)	-
Change in trade receivables	(5.476)	(135)	7.587	1.463
Change in trade payables and advances	27.036	(1.071)	(11.408)	956
Net change in other receivables/payables and other assets/liabilities	5.482	(203)	2.435	(254)
Net result of investments accounted for using the equity method	60	60	50	50
Gain on disposal of shares in other investments	-	-	(54)	-
Write-off/Write-up Other Investments	-	-	49	-
Change in Other investments	-	-	79	-
Cash Flows from (used in) operating activities	17.752		(5.742)	
Cash flow from investments				
Acquisition of tangible fixed assets (**)	(2.357)	-	(3.169)	-
Acquisition of intangible fixed assets	(327)	-	(178)	-
Capitalization of development costs	(1.302)	-	(2.728)	-
Net disposal of fixed assets (***)	231	-	168	-
Cash Flows from (used in) investing activities	(3.755)		(5.907)	
Cash flow from financing activities				
Change in other financial assets/liabilities and other minor items	(17)	-	(54)	-
Increases in loans and borrowings (including bank overdrafts and Credit lines)	2.532	-	15.224	-
Repayment of loans and borrowings (including bank overdrafts and Credit lines)	(19.005)	-	(13.650)	-
Repayments in financial lease liabilities	(3.095)	-	(2.809)	-
Other variations	(819)	-	-	-
Cash Flows from (used in) financing activities	(20.404)		(1.289)	
Cash Flows from (used in) change of minority shareholders	-		-	
Foreign exchange translation differences	1.431		(184)	
Net change in cash and equivalents	(4.976)		(13.122)	
Cash and equivalents beginning of period	62.999		55.136	
Cash and equivalents end of period	58.023		42.014	
Additional Information to the Consolidated Statement of Cash-Flow	30/06/2021		30/06/2020 (*)	
<i>Values in euro thousand</i>				
Taxes paid	251		454	
Interests paid	1.384		1.336	

(*) For a better comprehension, the 2020 figures have been re-exposed

(**) Not included leases

(***) Included assets held for sale