



BORSA ITALIANA - STAR segment

PRESS RELEASE

INTERIM FINANCIAL REPORT AS OF 30/09/2021

(results as of 30/09/2020 in brackets)

THE GROWTH OF RESULTS CONTINUES IN THE NINE MONTHS
SUPPORTED BY AN EXCELLENT PERFORMANCE IN ORDER ACQUISITION AND
BY A SIGNIFICANT RECOVERY OF SALES (+23% AT CONSTANT FX)

IN LINE WITH THE GROWTH TREND, THE THIRD QUARTER RECORDS
A 10.4% Adjusted EBITDA AND A POSITIVE NET PROFIT OF 2.2M EURO

- Consolidated SALES at 281.4 million euro (+20.5% compared to 233.5 million euro);
- EBITDA at 20.9 million euro, equal to 7.4% of sales (compared to 14.9 million euro, equal to 6.4%); adjusted EBITDA is at 24.0 million euro, equal to 8.5% of turnover;
- EBIT at 6.2 million euro (compared to -1.5 million euro); adjusted EBIT is equal to 9.7 million euro;
- NET RESULT at 1.6 million euro (compared to -4.4 million euro);
- NET FINANCIAL DEBT at 102.2 million euro, (compared to 123.6 million euro as at 30/09/2020), including 45.0 million euro of leasing payables (of which 10 million euro of increase in Q3 relating to the completion of the production site in Collegno (TO));
- ORDER ACQUISITION at 345.3 million euro (+56.7% compared to 220.4 million euro);
- ORDER BACKLOG at 187.9 million euro (+47% compared to 127.8 million euro at 30/09/2020 and +11% compared to 169.7 million euro at 30/06/2021).

Collegno (TO), November 12, 2021 - The Board of Directors of Prima Industrie S.p.A, a leading company operating in the high-tech sector of laser systems and sheet metal processing and electronic components for industrial applications, met today to approve the Interim Report at 30/09/2021.

The Company Executive Chairman, Gianfranco Carbonato, commented "*The trend of the first nine months of the year has outlined a very positive picture in all Group reference areas and countries.*"

Although factors of uncertainty related to procurement, transport and raw material costs remain at an international level, the high order backlog as of 30/09/21 (increased to over 200 million euros as of 31/10) allows us to confirm the prospects for further growth in revenues and margins in the last part of the year "

The Group turnover as of 30/09/2021 is equal to 281,414 thousand euro, increasing by 20.5% compared to 2020. At constant exchange rates the consolidated turnover as of 30/09/2021 would have increased by 23.0% compared to 30/09/2020.

The consolidated revenues are shown below, broken down on a geographical basis, as of 30/09/2021 compared with the corresponding period of the previous year:

REVENUES	30/09/21		30/09/20	
	Euro thousand	%	Euro thousand	%
SEMEA (*)	99.393	35,3	72.736	31,2
NORTH EUROPE	63.245	22,5	62.407	26,7
AMERICAS	70.958	25,2	70.445	30,2
APAC	47.818	17,0	27.864	11,9
TOTAL	281.414	100,0	233.452	100,0

(*) South Europe, Middle East & Africa

The above table shows that the Group turnover as of 30/09/2021 (compared with the corresponding period of the previous year) had a significant recovery in SEMEA (+36.6%) and APAC (+71.6 %). The trend is stable in the AMERICAS (+0.7%), which is the area that was least affected by the crisis linked to COVID-19 in 2020, and in the NORTH EUROPE area (+1.3%).

The main countries of destination in the SEMEA area were Italy (18.7% of consolidated sales), Poland and Eastern Europe (6.2% of consolidated sales) and Spain and Portugal (4.6% of consolidated sales).

The main countries of destination in the NORTH EUROPE area were Finland and the Baltic countries (6.6% of consolidated sales), the DACH countries (6.4% of consolidated sales), Russia (3.7% of consolidated sales) and Benelux (3.7% of consolidated sales).

The share of revenues realized in the AMERICAS went from 70,445 thousand euro to 70,958 thousand euro, of which 54,780 thousand euro in the United States. At constant exchange rates, the sales of the area would have been up by 6.5%.

In the APAC area, revenues grew by 71.6% compared to 2020, going from 27,864 thousand euro to 47,818 thousand euro. The increase is essentially attributable to revenues achieved in China which went from 14,926 thousand euro (as of 30/09/2020) to 31,139 thousand euro (as of 30/09/2021).

The main economic indicators of the Group are shown below, compared with the corresponding period of the previous year:

Values in Euro thousand

30/09/21	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	261.399	55.415	21,2%	19.568	7,5%	7.531	2,9%	2.534
PRIMA ELECTRO	36.316	4.872	13,4%	1.705	4,7%	(944)	-2,6%	(647)
CONSOLIDATION	(16.301)	(388)	-	(382)	-	(382)	-	(266)
GROUP	281.414	59.899	21,3%	20.891	7,4%	6.205	2,2%	1.621

(% calculated over the revenues)

Values in Euro thousand

30/09/20	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	217.886	44.182	20,3%	14.898	6,8%	2.381	1,1%	266
PRIMA ELECTRO	30.535	2.808	9,2%	156	0,5%	(3.747)	-12,3%	(2.436)
CONSOLIDATION	(14.969)	(104)	-	(158)	-	(159)	-	(2.215)
GROUP	233.452	46.886	20,1%	14.896	6,4%	(1.525)	-0,7%	(4.385)

(% calculated over the revenues)

As from April 1, 2021, the Group has launched a new organization by structuring itself on four Business Units: Prima Power, Prima Electro, Convergent Photonics and Prima Additive.

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

The Group **EBITDA** at 30/09/2021 is equal to 20,891 thousand euro, equal to 7.4% of revenues against 14,896 thousand euro, equal to 6.4% of revenues as of 30/09/2020.

EBITDA was negatively affected by non-recurring costs equal to 3,150 thousand euro (as of 30/09/2020 they were equal to 3,231 thousand euro); therefore the adjusted EBITDA is equal to 24,041 thousand euro (equal to 8.5% of revenues).

In particular, in the third quarter of the year, adjusted EBITDA was equal to 10,098 thousand euro (equal to approximately 10.4% of the quarter sales).

The Group **EBIT** at 30/09/2021 was positive for 6,205 thousand euro, equal to 2.2% of revenues against negative 1,525 thousand euro, equal to -0.7% of revenues, of the previous year.

This result is affected by:

- amortization of intangible fixed assets for 6,075 thousand euro (relating to development costs for 4,126 thousand euro and to the brand registered as part of the business combination of the FINN-POWER Group for 1,431 thousand euro) and write-downs for 61 thousand euro.
- depreciations of tangible fixed assets for 8,283 thousand euro and write-downs of 266 thousand euro of non-current assets held for sale.

EBIT at 30/09/2021 is penalized by non-recurring costs equal to 3,477 thousand euro; consequently, adjusted EBIT is equal to 9,682 thousand euro (3.4% of revenues).

In particular, in the third quarter of the year, adjusted EBIT was equal to 5,399 thousand euro (equal to approximately 5.5% of the quarter turnover).

The Group **EBT** at 30/09/2021 is positive for 3,024 thousand euro against the negative 5,487 thousand euro at 30/09/2020.

The Group EBT discounts net charges deriving from financial management (including profits and losses on exchange rates) for 3,121 thousand euro (at 30/09/2020 they were equal to 3,877 thousand euro).

The Group **NET RESULT** as at 30/09/2021 is positive for 1,621 thousand euro against the negative 4,385 thousand euro as of 30/09/2020; while the Net Result attributable to the parent company is positive for 1,494 thousand euro.

In particular, the net result for the third quarter was positive for 2,164 thousand euro.

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As at 30/09/2021 the Group **Net Financial Debt** is equal to 102,191 thousand euro, an improvement compared to 123,630 thousand euro at 30/09/2020 and an increase compared to 96,274 thousand euro at 31/12/2020 .

Following is the detail of the Group Net Debt:

<i>Values expressed in Euro thousand</i>	30/09/21	31/12/20	30/09/20
NON CURRENT FINANCIAL ASSETS	(4.233)	(4.233)	(4.233)
CASH & CASH EQUIVALENTS	(54.111)	(62.999)	(47.246)
CURRENT FINANCIAL ASSETS	(453)	(423)	(181)
CURRENT FINANCIAL LIABILITIES	52.394	52.861	46.584
NON CURRENT FINANCIAL LIABILITIES	63.563	75.336	90.382
NET FINANCIAL DEBT (before leasing)	57.160	60.542	85.306
LEASING LIABILITIES	45.031	35.732	38.324
NET FINANCIAL DEBT	102.191	96.274	123.630

* * * * *

During the first nine months of 2021, the Group **order acquisition** (including the after-sale service) amounted to 345.3 million euro, an increase of 56.7% compared to 220.4 million euro at 30/09/2020 and 15.1% compared to 30/09/2019.

The consolidated **order backlog** (not including the after-sale service) at 30/09/2021 amounts to 187.9 million euro, increasing compared to the 127.8 million euro at 30/09/2020. The backlog further increased to 203.0 million euro as of 31/10/2021.

“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 document results, books and accounting records”.

The document containing the Interim Report as at 30/09/2021 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 Consolidated 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:

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CONSOLIDATED BALANCE SHEET

Values in thousand euro	30/09/2021	31/12/2020
Property, plant and equipment	73.818	64.281
Intangible assets	117.371	120.837
Investments accounted for using the equity method	334	394
Other investments	6.664	6.226
Non current financial assets	4.233	4.233
Deferred tax assets	16.442	17.656
NON CURRENT ASSETS	218.862	213.627
Inventories	139.074	118.689
Trade receivables	81.698	77.624
Other receivables	8.161	8.732
Current tax receivables	7.195	5.013
Derivatives	-	365
Financial assets	453	58
Cash and cash equivalents	54.111	62.999
CURRENT ASSETS	290.692	273.480
Assets held for sale	4.775	5.255
TOTAL ASSETS	514.329	492.362
Capital stock	26.208	26.208
Legal reserve	5.242	5.213
Other reserves	67.869	66.461
Currency translation reserve	2.634	(1.225)
Retained earnings	60.623	70.164
Net result	1.494	(7.201)
Stockholders' equity of the Group	164.070	159.620
Minority interest	3.180	2.844
STOCKHOLDERS' EQUITY	167.250	162.464
Interest-bearing loans and borrowings	102.347	105.318
Employee benefit liabilities	6.975	7.104
Deferred tax liabilities	2.509	4.759
Provisions	235	238
Derivatives	220	419
NON CURRENT LIABILITIES	112.286	117.838
Trade payables	81.072	69.390
Advance payments	43.993	40.019
Other payables	21.589	19.244
Interest-bearing loans and borrowings	58.314	58.192
Current tax payables	8.326	5.704
Provisions	21.392	19.511
Derivatives	107	-
CURRENT LIABILITIES	234.793	212.060
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	514.329	492.362

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	30/09/2021	30/09/2020 (*)
Net revenues	281.414	233.452
Cost of goods sold	(221.515)	(186.566)
GROSS MARGIN	59.899	46.886
Research and Development costs	(16.871)	(14.690)
Sales and marketing expenses	(18.994)	(16.122)
General and administrative expenses	(17.829)	(17.599)
OPERATING PROFIT (EBIT)	6.205	(1.525)
Financial income	8.794	2.424
Financial expenses	(12.700)	(5.648)
Net exchange differences	785	(653)
Net result of investments accounted for using the equity method	(60)	(90)
Net result of other investments	-	5
RESULT BEFORE TAXES (EBT)	3.024	(5.487)
Taxes	(1.403)	1.102
NET RESULT	1.621	(4.385)
- <i>Attributable to Group shareholders</i>	1.494	(3.886)
- <i>Attributable to minority shareholders</i>	127	(499)
RESULT PER SHARE - BASIC (in euro)	0,14	(0,37)
RESULT PER SHARE - DILUTED (in euro)	0,14	(0,37)
EBITDA	20.891	14.896

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

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Values in Euro thousand</i>	30/09/2021	30/09/2020 (*)
Net result	1.621	(4.385)
Adjustments (sub-total)	9.938	2.532
Depreciation, impairment & write-off	14.685	16.421
Net change in deferred tax assets and liabilities	(1.036)	(1.281)
Change in employee benefits	(129)	82
Change in inventories	(20.385)	(7.539)
Change in trade receivables	(4.074)	14.522
Change in trade payables and advances	15.656	(19.404)
Net change in other receivables/payables and other assets/liabilities	5.161	(433)
Net result of investments accounted for using the equity method	60	90
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	11.559	(1.853)
Cash flow from investments		
Acquisition of tangible fixed assets (**)	(3.215)	(3.564)
Acquisition of intangible fixed assets	(594)	(188)
Capitalization of development costs	(1.785)	(4.614)
Net disposal of fixed assets (***)	222	424
Cash Flows from (used in) investing activities	(5.372)	(7.942)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	50	367
Increases in loans and borrowings (including bank overdrafts and Credit lines)	2.740	41.586
Repayment of loans and borrowings (including bank overdrafts and Credit lines)	(14.887)	(32.839)
Repayments in financial lease liabilities	(4.981)	(4.901)
Other variations	(1.076)	-
Cash Flows from (used in) financing activities	(18.154)	4.213
Cash Flows from (used in) change of minority shareholders	-	-
Foreign exchange translation differences	3.079	(2.308)
Net change in cash and equivalents	(8.888)	(7.890)
Cash and equivalents beginning of period	62.999	55.136
Cash and equivalents end of period	54.111	47.246

Additional Information to the Consolidated Statement of Cash-Flow	30/09/2021	30/09/2020 (*)
<i>Values in euro thousand</i>		
Taxes paid	561	477
Interests paid	1.807	1.922

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

(**) Not included leases

(***) Included assets held for sale