2017 was a shining year for Prima Industrie.

The Group celebrated its 40th anniversary and the best year ever for all key indicators. This record is particularly significant since it is preceded by a long track of growth.

The history of Prima Industrie and its transformation from a small engineering start-up to a world class manufacturer of laser and sheet metal machinery can be epitomized in the word “Sparks”.

The sparks are, first of all, the men and the women who have contributed to make this group great: people with a clear vision and the bravery to realize it, people capable of translating new ideas into winning solutions, people able to see a world without borders and to work in a global group, people working every day with competence, dedication and enthusiasm.

Sparks are also the many innovations developed by Prima Industrie over these 40 years. This innovative spirit is still the main drive of our growth, and our mission is to spark our customers’ success with intelligent, cutting-edge technologies.

The numbers four and zero on the cover of this volume can also be read as 4.0: smart manufacturing, automation, digital revolution are the fields where we have been more active over the last years and where we are investing more.
# Financial highlights

**Year ended December 31st, (Euro thousand except per share data)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>PROFIT AND LOSS STATEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>449,503</td>
<td>393,886</td>
<td>364,466</td>
<td>350,464</td>
<td>335,841</td>
</tr>
<tr>
<td>Gross Operating Margin (EBITDA)</td>
<td>43,178</td>
<td>35,409</td>
<td>31,402</td>
<td>33,780</td>
<td>30,568</td>
</tr>
<tr>
<td>Operating Result (EBIT)</td>
<td>26,296</td>
<td>18,528</td>
<td>17,487</td>
<td>22,299</td>
<td>18,681</td>
</tr>
<tr>
<td>Result Before Taxes (EBT)</td>
<td>21,852</td>
<td>11,347</td>
<td>8,132</td>
<td>14,842</td>
<td>8,842</td>
</tr>
<tr>
<td><strong>NET RESULT FOR THE YEAR</strong></td>
<td>18,668</td>
<td>10,160</td>
<td>5,606</td>
<td>9,389</td>
<td>5,358</td>
</tr>
<tr>
<td>Minority interests</td>
<td>153</td>
<td>58</td>
<td>(411)</td>
<td>(374)</td>
<td>(71)</td>
</tr>
<tr>
<td><strong>NET RESULT FOR THE YEAR-GROUP</strong></td>
<td>18,515</td>
<td>10,102</td>
<td>6,017</td>
<td>9,763</td>
<td>5,429</td>
</tr>
<tr>
<td><strong>BALANCE SHEET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets (net)</td>
<td>198,047</td>
<td>204,027</td>
<td>197,766</td>
<td>193,691</td>
<td>185,327</td>
</tr>
<tr>
<td>Working Capital (net)</td>
<td>20,538</td>
<td>19,140</td>
<td>34,893</td>
<td>19,106</td>
<td>20,695</td>
</tr>
<tr>
<td>Shareholders’ Equity and Minority Interests</td>
<td>148,953</td>
<td>138,952</td>
<td>130,912</td>
<td>120,708</td>
<td>106,061</td>
</tr>
<tr>
<td>Financial Position (net)</td>
<td>69,632</td>
<td>84,215</td>
<td>101,747</td>
<td>92,089</td>
<td>99,961</td>
</tr>
<tr>
<td><strong>PER SHARE DATA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of outstanding shares</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>10,483,274</td>
</tr>
<tr>
<td>Weighted average outstanding shares</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>10,483,274</td>
<td>8,690,373</td>
</tr>
<tr>
<td>Net Result per share (on weighted average of shares)</td>
<td>1.77</td>
<td>0.96</td>
<td>0.57</td>
<td>0.93</td>
<td>0.62</td>
</tr>
<tr>
<td>Book value per share (on weighted average of shares)</td>
<td>14.21</td>
<td>13.25</td>
<td>12.49</td>
<td>11.51</td>
<td>12.20</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>0.40</td>
<td>0.30</td>
<td>0.25</td>
<td>0.20</td>
<td>-</td>
</tr>
<tr>
<td><strong>OTHER KEY INFORMATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and Development Expenses</td>
<td>23,401</td>
<td>22,917</td>
<td>23,564</td>
<td>20,850</td>
<td>18,364</td>
</tr>
<tr>
<td>Year-end Order Backlog</td>
<td>169,865</td>
<td>143,400</td>
<td>117,700</td>
<td>94,500</td>
<td>75,200</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>1,781</td>
<td>1,664</td>
<td>1,643</td>
<td>1,579</td>
<td>1,530</td>
</tr>
</tbody>
</table>
Ladies and Gentlemen,

In the year of our 40th anniversary, we are proud to share with you our best results ever.

The year 2017 has been indeed influenced by the positive situation of most of our reference markets, both from a geographic and an industrial perspective. Prima Industrie has taken advantage of this favorable macroeconomic scenario delivering revenues of 449.5 m€, up 14.1% from previous year.

Order intake of the year was even higher at 481 m€, generating a year-end backlog of 170 m€ (excluding after sale services), up 18.5% on 2016. Higher turnover has boosted profitability with adjusted Ebitda (excluding non recurring items) at 10% (45 m€, up 25%), in line with analysts’ consensus and with our business plan for 2016-2019.

Consolidated Net Profit was 18.7 m€, significantly increasing (+83%) versus previous year. This result also benefited from capital gain achieved by Prima Electro after partial sale of Electro Power System shares, as well as a reduced Group tax rate due to tax losses carried forward.

The outstanding cash generation in 2017 reduced the Net Indebtness from 84.2 m€ at December 31, 2016 to 69.6 m€, bringing the Group to a ratio Net Debt/Equity of 0.47 and Net Debt/Ebitda of 1.6.

In terms of geographical markets, we have recorded further growth in North America and China and in other Asian markets.

Europe has also enjoyed a strong growth, and the best performance was registered in Italy (+66% machines order intake) also thanks to Government tax incentives to high-tech investments, which have been sluggish for too many years.

R&D activity was very intense, as usual, amounting to 5.2% of consolidated revenues. In the Machinery Division, Prima Power, the main developments of the year related to Laser Next 2141 (the biggest size of the family) and a new 2D laser machine concept specifically designed for larger size applications and destined initially to the Chinese and Asian markets.

Prima Electro Division focused its R&D activity on further expansion of the CF fiber laser family, where the new higher power CF6000 was developed and is currently under test and validation process. Meanwhile, the development activity on high-power diodes is successfully proceeding. Innovative concepts have been patented and recently presented at the most important event of the sector, Photonics West 2018, in San Francisco.

During the year a third Division was established, Prima Additive, gathering all Group competences both in Direct Energy Deposition and Powder Bed Fusion technologies. The new Division will start its first product deliveries to the market during 2018 and will be localized within the year in a new building which will be constructed next to the Company HQTC in Collegno.

Also Finn-Power OY has started construction of 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, which will move in after summer 2018.

In the last part of the year, the management has carried out an important financial project relating to renewal of the whole Group Medium/Long Term financial structure (Bank loans and Bond) with the aim of reducing interest rates and extending maturities.

We have been happy to observe during the past year an outstanding performance of our Market Cap (increased by 114%), driven by the above-mentioned results as well as by a general positive sentiment of financial markets in Italy.

Our shareholders will also appreciate our proposal to increase the Dividend payment from €0.30 to €0.40 per share (+33%).

For the year 2017, the Company publishes for the first time its Sustainability Report, so highlighting that our results were achieved through a responsible management focused on value creation combined with sustainable growth.

Looking forward, at the moment we don’t see any sign of slow-down coming from our reference markets, notwithstanding global uncertainties at geopolitical level. This makes us confident in further improving our results in line with our business plan expectations.

In order to thank our employees for their essential contribution to these results and share with them our 40 years anniversary, we organized a company event last December which we believe they appreciated and will remember in the coming years.

In conclusion, we would like to thank in advance our stakeholders and friends for supporting the Group’s further development in the future.

Yours sincerely,

Gianfranco Carbonato
Chairman of the Board

“2017 was an intense year for Research and Development in Prima Electro, with three main highlights: the widening of our range of fiber laser sources, the development of new, more powerful fiber laser modules, and innovation activities on new-concept high power diodes.”

Ezio Basso
Prima Power
Managing Director

Domenico Peiretti
Prima Electro
Managing Director

“The good results in the year 2017 were supported by the excellent performance of our 3D Laser business, which enjoyed strong investments from automotive and aerospace markets. Also significant was the growth of Systems sales, driven by Industry 4.0 technological shift to connected machines and automated production lines.”

Gianfranco Carbonato
Chairman of the Board

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Market Cap increase in 2017: +114%
We are always close to our customers, wherever they are.

Prima Industrie is present in 5 continents with over 1700 employees and a network of specialized distributors.

Industrial footprint
8 plants in 3 continents

PRIMA POWER LASERDYNE LLC
Champlin, MN - USA

CONVERGENT PHOTONICS LLC
Chicopee, MA - USA

PRIMA INDUSTRIE HEADQUARTERS AND TECH CENTER
Collegno (TO) - Italy

AMERICA

PRIMA INDUSTRIE SPA
Collegno (TO) - Italy

PRIMA INDUSTRIE SPA
Cologna Veneta (VR) - Italy

EUROPE

PRIMA ELECTRO SPA
Moncalieri (TO) - Italy

PRIMA ELECTRO SPA
Barone (TO) - Italy

ASIA

FINN POWER OY
Kauhava - Finland

PRIMA POWER SUZHOU CO. LTD
Suzhou, China

Sales and service footprint
Branches and subsidiaries in 28 countries worldwide

Presence including distributors and agents in over 80 countries

More details about our presence in the world are available online: primaindustrie.com/our-presence-in-the-world

2017 Facts and Figures
Innovation

Behind smart solutions there are smart people: our employees are key factors in our success.

Prima Industrie has a long history of innovation. The group pioneered many laser and sheet metal technologies over the last four decades.

This forward-looking approach is still at the base of Prima Industrie success and allows us to remain at the forefront of technology.

We have developed advanced and effective “Industry 4.0 inside” solutions for digital, data-driven manufacturing and service. Our machines and production lines are always becoming more interconnected and sensorized, and our technologies are more and more integrated into systems capable of producing ready parts from blanks in full autonomy. We are developing new laser sources, increasingly efficient and sustainable. Additive manufacturing, with its incredible and fascinating potentials, is changing our world and we are ready for this transformation.

We invest annually between 5 and 6% of our revenues in R&D, collaborate with major universities and research centers, and participate in important European research projects, often as coordinators.

Our employees are key factors in our success: about 15% of our staff is dedicated to the research and development of new ideas which will shape the future of our technologies.
Industry 4.0

Today smart and modern factories are realizing a perfect convergence between the digital and real world. Prima Industrie has been investing in digital manufacturing over the last years and all our products are “Industry 4.0 Inside”. Thanks to sensors and cameras, real-time and historical data are collected and analysed by our intelligent software solutions to provide accurate performance and production reports through the cloud.

This means manufacturing higher quality products in a more efficient, flexible, profitable, and sustainable way. It also means a complete new paradigm for service, where you can remotely know not only what your machines are doing, but also what they will do, preventing failures and maximizing performances.

Laser is a key technology for Industry 4.0. We are also focusing our R&D activity to further improve our fiber laser family.

A new generation of fiber laser module, granting 50% more power than the previous model, has been developed. This will increase competitiveness of all our fiber laser products, starting from the new higher power CF6000, which will be introduced on the market during 2018.

Moreover, the development activities on high power diodes, featuring an innovative patented concept for an effective wavelength stabilization, have been successfully proceeding.

In 2017, Prima Industrie established the Prima Additive Division, dedicated to Direct Metal Deposition (DMD) and Powder Bed Fusion (PBF), the two main technologies for 3D metal printing. The new Division gathers the competences developed thanks to our 40-year experience in the laser processing of sheet metal parts, which is at the base of additive processes. It also capitalizes on the participation in international research projects (Borealis, Symbionica, Stamp, Amatho, MM Tech, 4D Hybrid) and on collaborations with universities and primary international groups.

This Division will launch its first products for additive manufacturing on the market during 2018.
Sustainability

Growing responsibly is an essential part of Prima Industrie strategy and business model.

The levels of growth achieved are due to the responsible management of the company, aimed at increasing our capacity to generate value while preserving sustainability (economic, social and environmental). At the same time, there has been a focus on meeting the expectations of all stakeholders who, whether directly or indirectly, place value on and are influenced by the decisions and activities of Prima Industrie.

Prima Industrie has responded to the challenge of guaranteeing the rights that are required in modern society: energy saving, curbing pollution, safeguarding the health and safety of workers, reducing waste, ensuring closer collaboration between man and machine, and social responsibility towards the community.

Following the internal stakeholder engagement activities and the materiality analysis, Prima Industrie built its own materiality matrix, as illustrated below.

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2017 Facts and Figures
Environment
The environmental impact of the Group’s activities and its machines is minimal, since its main processes are assembly and commissioning, which do not require water resources or cause extensive atmospheric emissions. In spite of this, Prima Industrie Group considers protection of the environment to be a fundamental value, as well as one of the main themes on which its commercial, industrial and social initiatives are based, through sustainable and responsible behaviours.

Sustainable production
The Prima Industrie Group has always given much consideration to environmental issues during the research and development of its products. This philosophy is the basis for the Group’s decision to bring productivity and environmental sustainability under the umbrella concept “Green Means®”.

The companies in the Prima Power Division have placed great effort into the transition from hydraulic to servo-electric technology and from CO2 to fiber laser. These changes in technology have allowed us to meet several targets in terms of environmental sustainability.

Culture, education and training
Prima Industrie cultivates and maintains close links with academic institutions, including universities and high schools. This gives us continuous access to resources and up-to-the-minute expertise, and allows us to establish collaborative relationships, with potentially positive repercussions on our products.

For reasons of proximity, the closest collaborations are with the Polytechnic University of Turin, the Polytechnic University of Milan, and the Higher Technical Institutes of the City of Turin.

Outside of Italy, the Group has partnerships with Seinäjoki University of Applied Sciences and the University of Vaasa (Finland), Sheffield University (UK - Symbionica project), Mondragon University (Spain - Mashes project), University of Patras (Greece - Borealis and Mashes projects) and with the Fraunhofer Society (Germany – Borealis project), to name just a few of our main collaborations.

HR management and the social aspects of sustainability
Prima Industrie has always considered people to be the Group’s most strategic asset. The Group not only supplies high tech products, but also solutions that target our customers’ needs, and can resolve complex issues. Know-how and professional and people skills are the main target of the Group’s investments for success, along with careful human resources management. Individuals are placed at the centre of the organisation and are key to human resource processes.

Diversity and equal opportunities, 2016-2017

The data in the table only refer to the companies considered within the sustainability report boundary (not all consolidated companies).

<table>
<thead>
<tr>
<th>GENDER</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGE</td>
<td>WOMEN</td>
<td>MEN</td>
</tr>
<tr>
<td>&lt; 30 YEARS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 - 50 YEARS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 50 YEARS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executives (Senior Managers and above)</td>
<td>4</td>
<td>52</td>
</tr>
<tr>
<td>Managers</td>
<td>10</td>
<td>126</td>
</tr>
<tr>
<td>Office workers/ Professionals</td>
<td>168</td>
<td>472</td>
</tr>
<tr>
<td>Shop floor employees</td>
<td>21</td>
<td>571</td>
</tr>
<tr>
<td>TOTAL</td>
<td>203</td>
<td>1,221</td>
</tr>
</tbody>
</table>

Prima Industrie HQTC: total energy savings
Results

2017 was marked by brilliant results for Prima Industrie, allowing the Group to confirm the targets for further growth.

The 2017 financial year was characterized by excellent results, achieved thanks to a constant and sustained demand and to the first returns of the strong investments made on the product range and on the market. The excellent order backlog at the beginning of the year, the cash generation and the good order acquisition of the first two months of 2018, allow the Group to confirm the targets for further growth for the current year.

In 2017, the group reported record financial results with consolidated revenues of 449.5 m€, up 14.1% over the last year. The turnover grew in all areas, recording a significant increase in AMERICAS for 23.7 m€, in EMEA for 16.1 m€ and in APAC for 15.8 m€.

The growth in turnover is now a constant trend over time and the CAGR of revenues for the period 2014-2017 was 8.6%.

Group adjusted Ebitda was equal to 45.1 m€ (10% of revenues), growing by 24.7%, compared to same period of the previous year.

The Group’s Net Profit amounted to 18.7 m€ (it was 10.2 m€ at 31/12/2016). The net financial position showed a net debt of 69.6 m€, a significant improvement compared to 84.2 at 31/12/2016.

The consolidated order backlog (not including after-sale) at 31/12/2017 amounted to 169.9 m€ (+18.5% from previous year). At 28/2/18, the order backlog further grew to 202.7 m€.
**Revenues analysis and business ratios**

**Regional highlights**

**Revenues by Technology**
- **Laser sources & Electronics**: 34%
- **Machining machines & Systems**: 25%
- **Other**: 36%

**Machines sales by Industry**
- **Automotive**: 25%
- **Building & Housing equipments**: 27%
- **Electrical & Vending**: 8%
- **Aerospace & Energy**: 7%
- **Subcontractors & Miscellaneous**: 22%
- **Agriculture & Industrial Machinery**: 11%

**Regional Revenues**
- **EMEA**: €242m EUR (54%)
- **APAC**: €89m EUR (26%)
- **AMER**: €118m EUR (20%)

**Countries**
- **North America**: 25.5%
- **Italy**: 15.2%
- **China**: 14%
- **Germany**: 6.2%
- **Spain & Portugal**: 4.5%
- **Russia**: 2.9%
- **Turkey**: 2.9%
- **France**: 2.3%
- **Poland & Eastern Europe**: 4.1%
- **Nordic & Baltic**: 7.2%
PRIMA POWER products

3D Laser Machines

OPTIMO
The higher-class, three-dimensional machine for the cutting and welding of large workpieces with superior quality and accuracy.

RAPIDO
Three-dimensional cutting and welding. The fully tried-and-tested "workhorse" for every application with fiber laser.

LASERDYNE 795
The premier multi-axis laser processing system for drilling, welding, and cutting precision components.

LASERDYNE 606D
Incorporates two completely independent 5 to 7 axis laser cutting, welding, and drilling systems in a single structure.

LASERDYNE NEXT
First-class performance 3D fiber laser machine. Available in 3 models according to application needs.

LASERDYNE 430
The flexible laser machining platform for a wide range of high-precision applications.
2D Laser Machines

- **LASER GENIUS**
  Best quality, high accuracy and productivity on the whole thickness range. Fiber laser, linear motors, carbon fiber carriage.

- **PLATINO FIBER EVO**
  Productive, efficient and easy to use fiber laser cutting machine. The best compromise in terms of flexibility and high quality in all thicknesses and applications.

- **PLATINO**
  Flexibility and high quality in all thicknesses and applications. User-friendly machine with an excellent price/performance ratio.

- **MAXIMO**
  2D laser cutting machine with customizable working area on customer's requirements for processing large sheets.

Punching & Combi Machines

- **SHEAR BRILLIANCE**
  Servo-electric punching/shearing cell based on the very latest in composite materials, servo-electric technology, and linear drives to achieve outstanding performance values.

- **SHEAR GENIUS**
  Servo-electric punching/shearing cell based on integrated punching and right-angle shearing, automatic loading, and component exit offering more capacity, quality, and cost efficiency.

- **COMBI GENIUS**
  Servo-electric punching and fiber laser cutting cell provides energy efficiency, low maintenance requirements, high-speed operation, including large tool capacity and easy and fast set-up change.

- **PUNCH GENIUS**
  The full-featured, high-performance servo-electric punching solution with numerically controlled, servo-electric axes for enhanced productivity.

- **EX SERIES**
  Servo-electric turret punch press series, offering state-of-the-art in servo-electric punching technology in a flexible and affordable package.
# Bending Machines

- **FastBend - FBe**
  Highly flexible, efficient, productive and user-friendly servo-electric bending solution.

- **BCe SMART**
  Semi-automatic bending process by Prima Power with manual material handling in a single ergonomic sequence.

- **BCe**
  Automatic bending process by Prima Power with shorter cycle time for medium-small production batches.

- **EBe FM**
  Fully automatic servo-electric panel bender with a best-in-class automation and customization.

- **eP SERIES**
  Servo-electric Prima Power eP-brake represents the state-of-the-art in combining safety, productivity, and precision.

# Automation

- **LOADING AND STACKING ROBOTS LSR**
  High-performance loading, unloading and stacking robots for material and part handling in an accurate and efficient way.

- **COMPACT EXPRESS**
  Entry-level solution to automate material handling. Compact Express efficiently automates raw material loading and unloading of ready components along with skeleton.

- **LU FOR 2D LASER**
  LU is a heavy-duty loading and unloading robot for 2D lasers. Loading and unloading robot. LU automates the loading of raw material with a suction cup gripper to the cutting table of laser cell.

- **COMPACT SERVER**
  Entry-level automation solution for laser machines for loading and unloading of blanks and processed sheets with two different storage units (one for the blanks and the other for the processed sheets).

- **LOADING AND STACKING DEVICE LST**
  Advanced level automation for automatic material loading and part stacking. LST is a compact high-performance automatic loading and stacking robot.
Systems

Software & Digital Manufacturing Solutions

CAM
Prima Power CAM programming software solutions are user-friendly, efficiently-optimized, and provide high productivity and material savings. They can be connected to customer ERP.

HMI
HMI Tulus® manages machine operations, through an easy and intuitive interface. Tulus® MUPS improves efficiency, monitoring machine status remotely, inside or outside the factory.

PLANNING & MONITORING
Tulus® Office is a powerful tool for work planning and machine capacity controlling. With Tulus® Mobile Information System, it’s possible to check at once the status of your production whenever you are.

MANUFACTURING EXECUTION SYSTEM
Tulus® Power Processing is a flexible M.E.S. It offers 2-way ERP connection. The whole production process is always under control, from automatic orders import to the finished product and reporting.

REPORTING
Prima Power Tulus® Production and Performance Reporting creates reports used for production planning and further analysis. Reports include information on production process, programs, components and materials.

INDUSTRY 4.0
Collection of smart interconnected machines and software collecting data through sensors and cameras. Machine diagnostics, predictive maintenance and production performance analysis services are available.

PSBB LINE
The compact PSBB line processes blank sheets from an automatic storage into ready-bent, high-quality components automatically. PSBB stands for punching, shearing, buffering and bending.

COMBO TOWER
Flexible and compact storage system to automate the material flow. Different materials are made available at the working point quickly and in a practical way.

COMBO TOWER LASER
Tight integration of the Combo storage and a laser machine. It offers laser machines all the same benefits of a Combo Tower.

FL STORAGE
Economical solution when fast raw material changes are needed due to production requirements. It consists of Fast Loading Device (FLD), shelving unit, and Night Train cassettes.

LPBB LINE
The compact LPBB line processes blank sheets from an automatic storage into ready-bent, high-quality components automatically. The manufacturing line integrates punching, laser cutting, bending and intelligent part handling.

NIGHT TRAIN FMS
Night Train FMS® automates the material flows and information systems of a facility and combines individual manufacturing stages into a single flexible process.
The Convergent Photonics laser products are the result of intense research and development by an international team of engineers and continuous improvement of the assembly and test processes, as well as component design. Convergent Photonics laser sources enhance their status as a versatile solution, universally recognized as superior in all the most demanding metal processing applications.
Prima Electro through its Electronics Business Unit designs and produces dedicated industrial-grade electronics for several markets such as Automation, Machine Tools, Industry, Energy, and Transport. Always at the forefront of the most significant evolution in terms of technology and performance, Prima Electro is also a top player in the CNC market through the Osai brand.

**Electronics**

**OPENcontrol CNC**
New generation of CNC increasing computational power and reliability based on a highly scalable and flexible hardware platform and able to manage up to 24 processes and up to 64 controlled axes. Industry 4.0 ready.

**OPENconsole Compact II**
Ideal for machine tool management and easily adaptable to any application thanks to the numerous customization possibilities.

**POWER ELECTRONICS**
Prima Electro is a reference for design and manufacturing of power electronics in a variety of vertical markets and applications for motor control and power conversion.

**HMI**
bPad is an example of a highly innovative design. A wireless handheld terminal with SIL3 TUV certified safety, integrating Industry 4.0 state-of-the-art features.
Our 40th anniversary was celebrated with two main events.

On November 30th, the book “Sparks”, on the history of Prima Industrie, was presented at Turin Employers’ Association (Unione Industriale) to a wide and prestigious group of more than 500 guests, including local authorities, personalities from industrial, economic, and university worlds and the press.

On December 1st, this important milestone was celebrated with a big party dedicated to our employees, with live concerts, speeches and interactive moments, where our people shared the pride of belonging to a group with an inspiring past, a sparkling present, and a strong vision for the future.
2017 Main Events

FEBRUARY
- Visit of Polish Consul

MARCH
- Sweden Event
- Visit of Polyechnic University of Turin
- UCIMU Meeting

APRIL
- Metal Furniture Event
- Industry 4.0 event for Italy
- Estonian Event

MAY
- Visit of Stefano Firpo, General Manager, Ministry of Economic Development
- Finnish Event
- Chinese Event

JUNE
- System Tour
- Quality Chain Management Event
- Lithuanian Event
- British and Irish Event

SEPTEMBER
- 2nd Finnish Event
- Open House in Kauhava (FI)
- Russian Event
- French Event

OCTOBER
- Spanish Event
- 2nd Metal Furniture Event
- Latvian Event
- Piedmont Open Factory

NOVEMBER
- Aerospace Event

DECEMBER
- Leeport 50 years anniversary
- Borealis Project - Machine installation
2017 Exhibitions

JANUARY
- SteelFab - Sharjah, UAE

FEBRUARY
- Win Metalworking - Istanbul, Turkey
- VTM 2017 - Odense, Denmark

MARCH
- HPB (Hearth, Patio & BBQ Expo) - Atlanta, U.S.A.
- MTMS - Brussels, Belgium
- Stom-Blech - Kielce, Poland
- Laser World of Photonics - Shanghai, China

APRIL
- Industrie Lyon - Lyon, France
- Technical Fair - Celje, Slovenia
- CIMAT - Beijing, China
- FABEX - Riyadh, Saudi Arabia

MAY
- FABTECH Mexico - Monterrey, Mexico
- Technical Fair - Zagreb, Croatia
- Austech - Melbourne, Australia
- Metalloobrabotka - Moscow, Russia
- Lamiera - Milan, Italy
- Metaltech Malaysia - Kuala Lumpur, Malaysia
- Butech - Busan, South Korea
- PCIM - Nuremberg, Germany
- Ligna - Hannover, Germany

JUNE
- ITM - Poznan, Poland
- Subcontratación - Bilbao, Spain
- Laser World of Photonics - Munich, Germany

JULY
- AWFS - Las Vegas, USA

SEPTEMBER
- Alhankinta - Tampere, Finland

OCTOBER
- TIE - Tehran, Iran
- MSV - Brno, Czech Republic
- Komaf - Seoul, South Korea
- EXPOFerroviaria - Milan, Italy

NOVEMBER
- Fabtech International - Chicago, U.S.A.
- Blachexpo - Stuttgart, Germany
- MWCS - Shanghai, China
- Mactech - Cairo, Egypt
- MetalMadrid - Madrid, Spain
- Tech Industry - Riga, Latvia

DECEMBER
- Bursa Metal İşleme - Bursa, Turkey

2017 Facts and Figures
## Consolidated financial statements

### Year ended December 31st, (Euro thousand except per share data)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>CONSOLIDATED INCOME STATEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from sales of machines</td>
<td>351,158</td>
<td>302,124</td>
<td>274,543</td>
<td>268,718</td>
<td>257,894</td>
</tr>
<tr>
<td>Revenues from after sales</td>
<td>98,345</td>
<td>91,762</td>
<td>89,923</td>
<td>81,746</td>
<td>77,947</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>449,503</td>
<td>393,886</td>
<td>364,466</td>
<td>350,464</td>
<td>335,841</td>
</tr>
<tr>
<td>EBITDA</td>
<td>43,178</td>
<td>35,409</td>
<td>31,402</td>
<td>33,780</td>
<td>30,567</td>
</tr>
<tr>
<td>Amortization, Depreciation &amp; Impairment</td>
<td>(16,882)</td>
<td>(16,881)</td>
<td>(13,915)</td>
<td>(11,481)</td>
<td>(11,886)</td>
</tr>
<tr>
<td><strong>OPERATING RESULT (EBIT)</strong></td>
<td>26,296</td>
<td>18,528</td>
<td>17,487</td>
<td>22,298</td>
<td>18,681</td>
</tr>
<tr>
<td>Financial income &amp; expenses</td>
<td>(7,000)</td>
<td>(8,230)</td>
<td>(9,311)</td>
<td>(7,258)</td>
<td>(8,828)</td>
</tr>
<tr>
<td>Adjustment to financial assets</td>
<td>2,556</td>
<td>1,049</td>
<td>(44)</td>
<td>(199)</td>
<td>(1,011)</td>
</tr>
<tr>
<td><strong>RESULT BEFORE INCOME TAXES (EBT)</strong></td>
<td>21,852</td>
<td>11,347</td>
<td>8,132</td>
<td>14,842</td>
<td>8,842</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(3,184)</td>
<td>(1,187)</td>
<td>(2,526)</td>
<td>(5,453)</td>
<td>(3,484)</td>
</tr>
<tr>
<td><strong>NET RESULT FOR THE YEAR</strong></td>
<td>18,668</td>
<td>10,160</td>
<td>5,606</td>
<td>9,389</td>
<td>5,358</td>
</tr>
<tr>
<td>Minority interests</td>
<td>153</td>
<td>58</td>
<td>(411)</td>
<td>(374)</td>
<td>(71)</td>
</tr>
<tr>
<td>Net result for the year-Group</td>
<td>18,515</td>
<td>10,102</td>
<td>6,017</td>
<td>9,763</td>
<td>5,429</td>
</tr>
<tr>
<td><strong>EARNINGS PER SHARE</strong></td>
<td>1.77</td>
<td>0.96</td>
<td>0.57</td>
<td>0.93</td>
<td>0.62</td>
</tr>
</tbody>
</table>

### Year ended December 31st, (Euro thousand)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>CONSOLIDATED BALANCE SHEET</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIXED ASSETS (NET)</td>
<td>198,047</td>
<td>204,027</td>
<td>197,766</td>
<td>193,691</td>
<td>185,327</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>149,603</td>
<td>155,713</td>
<td>157,771</td>
<td>155,552</td>
<td>151,572</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>35,628</td>
<td>35,281</td>
<td>28,466</td>
<td>26,912</td>
<td>24,201</td>
</tr>
<tr>
<td>Other fixed assets</td>
<td>12,816</td>
<td>13,033</td>
<td>11,529</td>
<td>11,227</td>
<td>9,554</td>
</tr>
<tr>
<td><strong>NET WORKING CAPITAL</strong></td>
<td>20,538</td>
<td>19,140</td>
<td>34,893</td>
<td>19,106</td>
<td>20,695</td>
</tr>
<tr>
<td>Inventories</td>
<td>113,035</td>
<td>98,561</td>
<td>93,993</td>
<td>77,504</td>
<td>66,214</td>
</tr>
<tr>
<td>Trade receivables (net of advances from Customers)</td>
<td>70,029</td>
<td>62,348</td>
<td>65,029</td>
<td>68,730</td>
<td>65,253</td>
</tr>
<tr>
<td>Other current assets</td>
<td>17,399</td>
<td>11,480</td>
<td>15,048</td>
<td>12,895</td>
<td>10,214</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(110,465)</td>
<td>(88,448)</td>
<td>(78,323)</td>
<td>(77,594)</td>
<td>(68,118)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(61,766)</td>
<td>(56,701)</td>
<td>(52,941)</td>
<td>(53,747)</td>
<td>(45,136)</td>
</tr>
<tr>
<td>Employees’ severance indemnity</td>
<td>(7,694)</td>
<td>(8,100)</td>
<td>(7,913)</td>
<td>(8,682)</td>
<td>(7,732)</td>
</tr>
<tr>
<td><strong>FINANCIAL POSITION (NET)</strong></td>
<td>69,632</td>
<td>84,215</td>
<td>101,747</td>
<td>92,089</td>
<td>99,961</td>
</tr>
<tr>
<td>Cash and banks</td>
<td>(70,521)</td>
<td>(62,680)</td>
<td>(41,365)</td>
<td>(35,867)</td>
<td>(29,194)</td>
</tr>
<tr>
<td>Bank borrowings</td>
<td>83,993</td>
<td>88,850</td>
<td>96,788</td>
<td>118,735</td>
<td>124,361</td>
</tr>
<tr>
<td>Bond</td>
<td>40,600</td>
<td>124,361</td>
<td>40,460</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowing from other financial institutions</td>
<td>15,560</td>
<td>17,514</td>
<td>5,864</td>
<td>9,221</td>
<td>4,794</td>
</tr>
<tr>
<td><strong>TOTAL CONSOLIDATED SHAREHOLDERS’ EQUITY</strong></td>
<td>148,953</td>
<td>138,952</td>
<td>130,912</td>
<td>120,708</td>
<td>106,061</td>
</tr>
<tr>
<td>Minority interests</td>
<td>1,285</td>
<td>1,212</td>
<td>1,196</td>
<td>1,151</td>
<td>1,085</td>
</tr>
<tr>
<td>Shareholders’equity-Group</td>
<td>147,668</td>
<td>137,740</td>
<td>129,716</td>
<td>119,557</td>
<td>104,976</td>
</tr>
</tbody>
</table>