

# Company results

## *Innovative Automatic Machine System Solutions*

**INVESTOR RELATIONS**

*Italian Equity Roadshow 2013 New York, November 18<sup>th</sup> and 19<sup>th</sup> 2013*



- Founded in 1961, IMA is world leader in the manufacture of automatic machines for the processing and packaging of drugs, tea in filter bags and food
- Global pharmaceutical supplier with the widest range of state of the art processing and packaging systems
- About 3,200 employees, more than 1,200 of them based abroad (YTD)
- In 2012 € 734.3 millions worldwide sales, of which more than 92% outside Italy
- World-wide sales and service network
- More than 1,200 patents worldwide
- Listed on the Milan Stock Exchange since 1995 and starting from 2001 at the STAR segment

# IMA: a Leading Group

Some of IMA's major customers in the Pharma sector



# IMA: a Leading Group

Some of IMA's major customers in the Tea, Food & Other sector

LOTTE



BRITISH AMERICAN  
TOBACCO



Cadbury ADAMS



CooperVision®  
A CLEARER VISION



Nestlé

JVC

WRIGLEY

The Coca-Cola Company

P&G

Procter & Gamble

Seaquist Closures



PHILIP MORRIS

Nypro

TECHNICOLOR®  
VIDEO • CD • DVD SERVICES

PERFETTI  
van Melle

Unilever

Halter  
BONBONS

FABRI  
1905

SaraLee

Tetra Pak



## COMPETITIVE ADVANTAGES

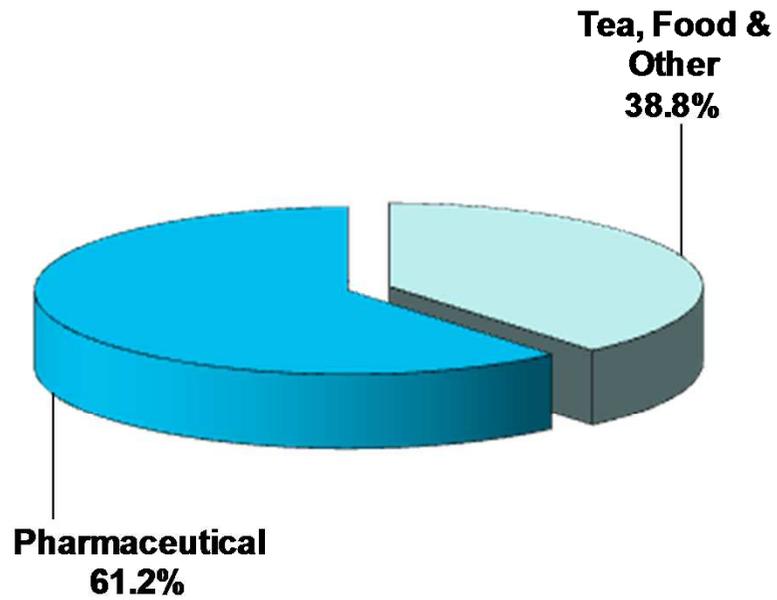
- Cutting-edge R&D laboratories
- Continuous product innovation
- A winning business model
- High customer loyalty
- Excellent positioning thanks to an extensive customer service network and a full product range to offer
- High barriers to market entry

## INVESTMENT PROFILE

- Leading position in almost all of the segments in which the Group operates
- Low cyclical nature of demand
- High growth potential, both organic and through acquisitions
- Highly professional and strongly motivated management team
- *Superior* products commanding a *premium price*

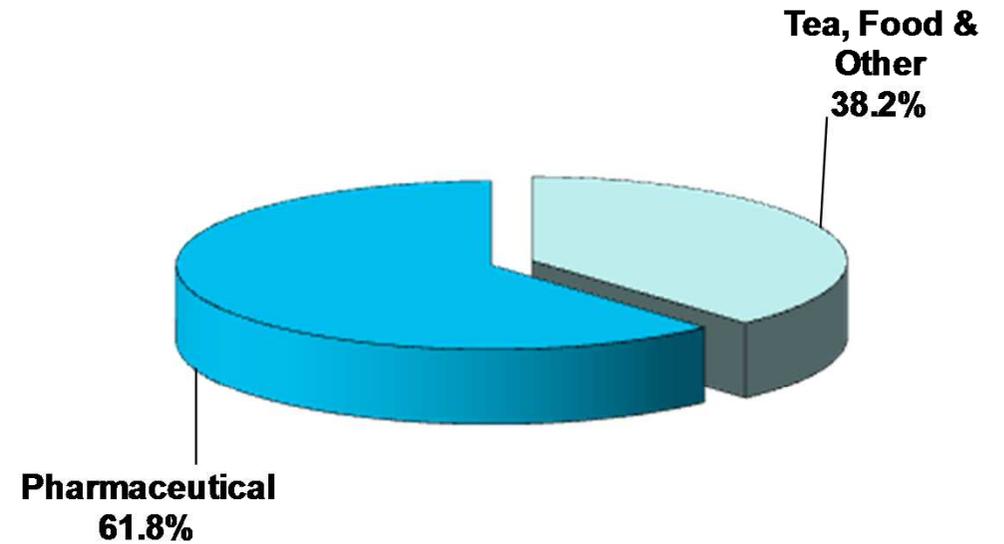
**2011**

Total sales: € 669.2 million



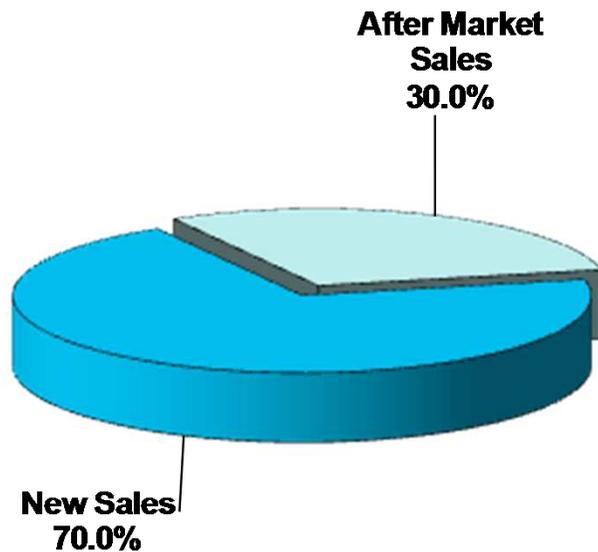
**2012**

Total sales: € 734.3 million

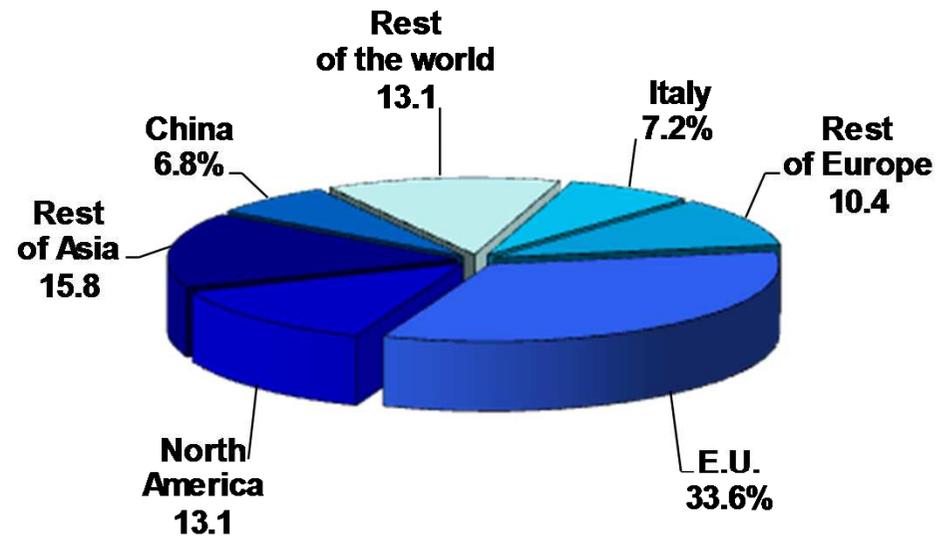


- Significant share of the Group's earnings generated by after-sale services, spare parts and equipment, which are higher-margin and recurring in nature (30% of overall revenues)
- Geographically well diversified revenue sources

### Revenues by Nature 2012

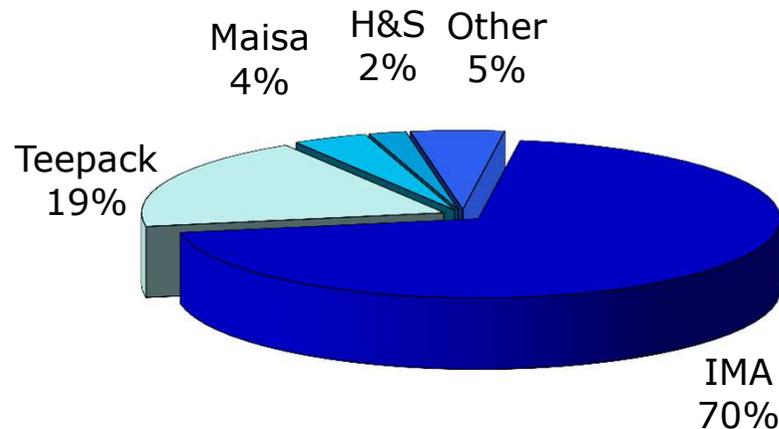


### Revenues by Geography 2012



## Tea-bag machinery sector

- The world market for tea bag machinery is estimated at Euro 120 million
- Tea bag machinery sector is characterised by an high level of concentration with first two players covering about 90% of the market
- IMA has a leading position with a market share of more than 70%
- The second player Teepack belongs to a Group (Teekanne) that produces and sells teabags (brand name: Teekanne, Pompadour, etc.)



Company estimates

## **GIMA SpA**

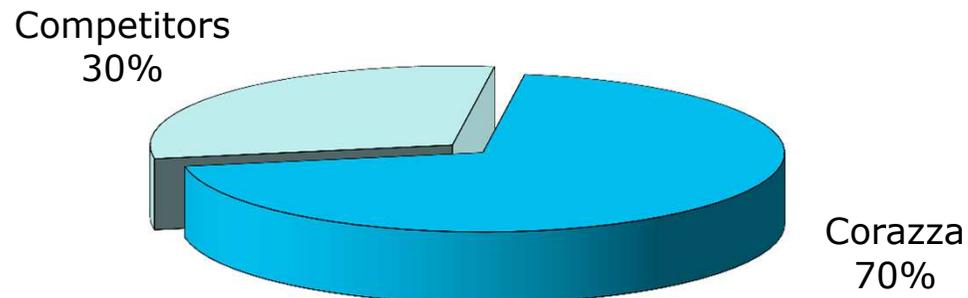
Long experience operating in food, confectionery, beverage, pharmaceutical and assembly packaging solutions.

- Coffee single serve packaging machines for thermoformed or injected capsules
- Confectionary packaging solutions for medium and high speed lines for many types of packaging (sleeves, wallets, flip top cartons, push boxes, tin boxes, plastic bottles)
- Assembling technology designed to handle plastic products for all market sectors.

## Dairy and Convenience Food sector

- **Corazza SpA** is world leading manufacturer of packaging machines for Soup Cubes, Processed Cheese, Butter, Margarine and Yeast.
- The main competitors are German companies: Bosch Sapal, Oystar Benhil.

### Stock Cubes and Dairy Packaging market share



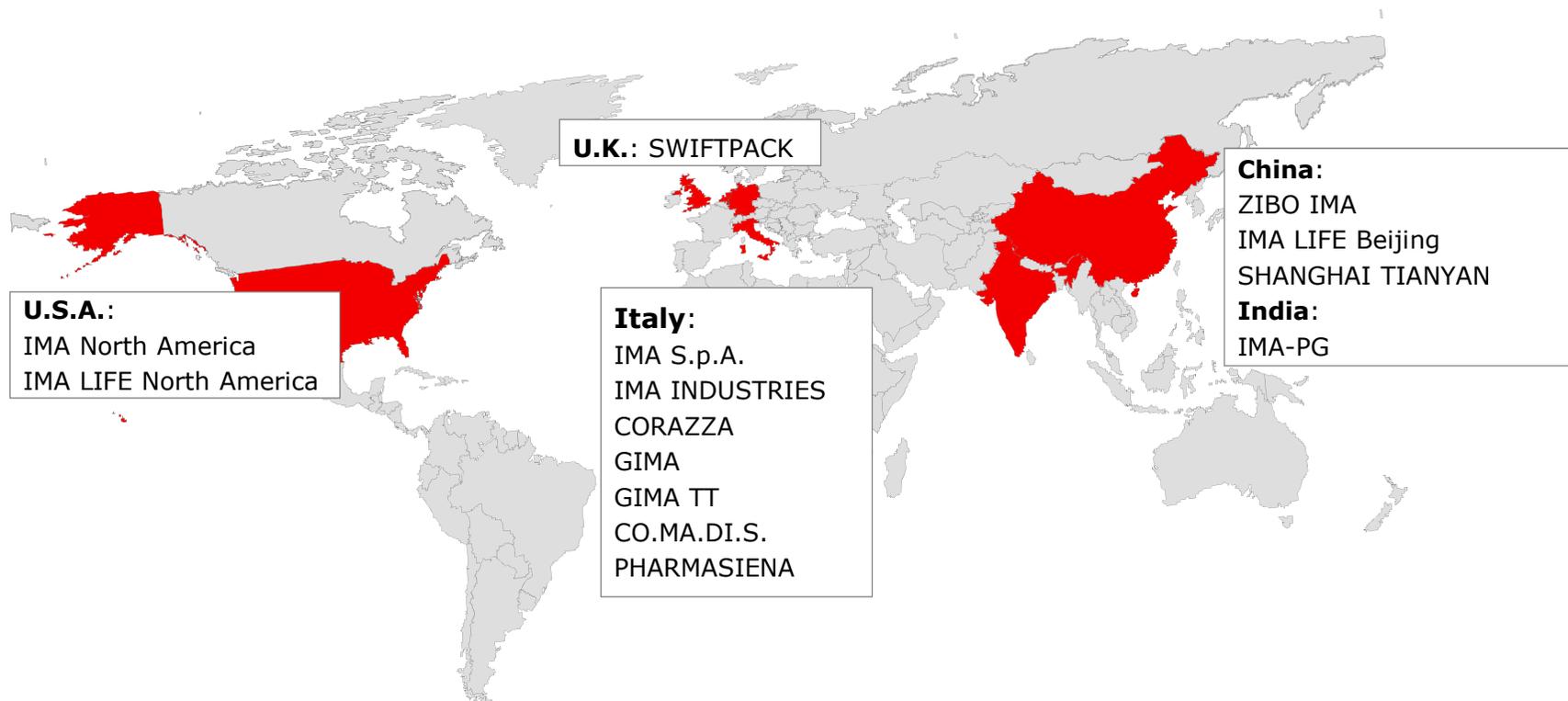
Company estimates

## Pharmaceutical sector

- A sector that's still fragmented and dominated by German and Italian firms
- Most firms are specialised in one product line
- Very much a "crafts-like" industry with a high degree of customisation
- Strong investments for innovation (R&D)
- Ever changing and increasingly severe regulatory agency standards
- Multinational customers call for an international presence

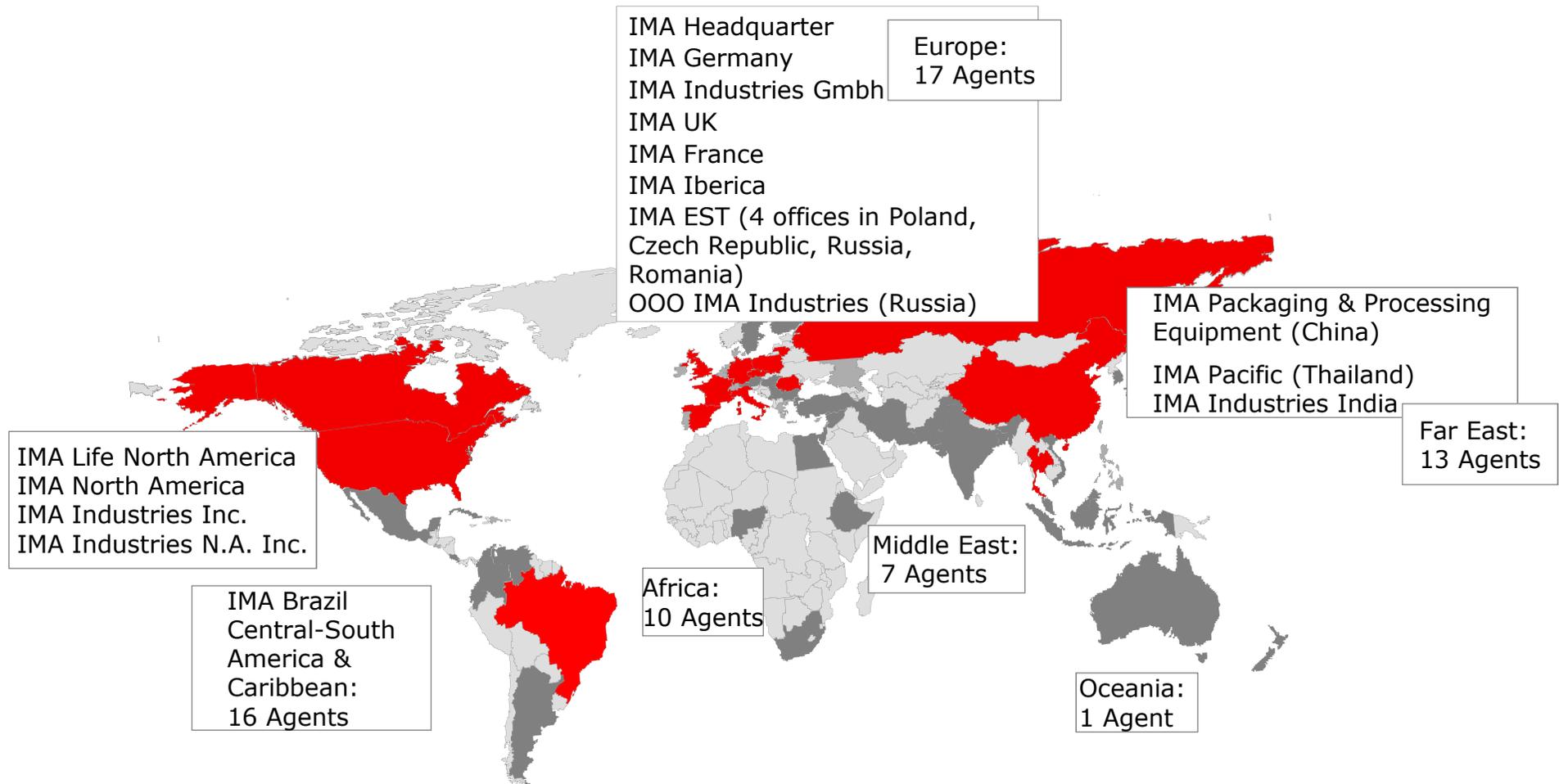
## Production Facilities

IMA manufactures equipment in 21 production facilities located in Italy, UK, USA, India, China.



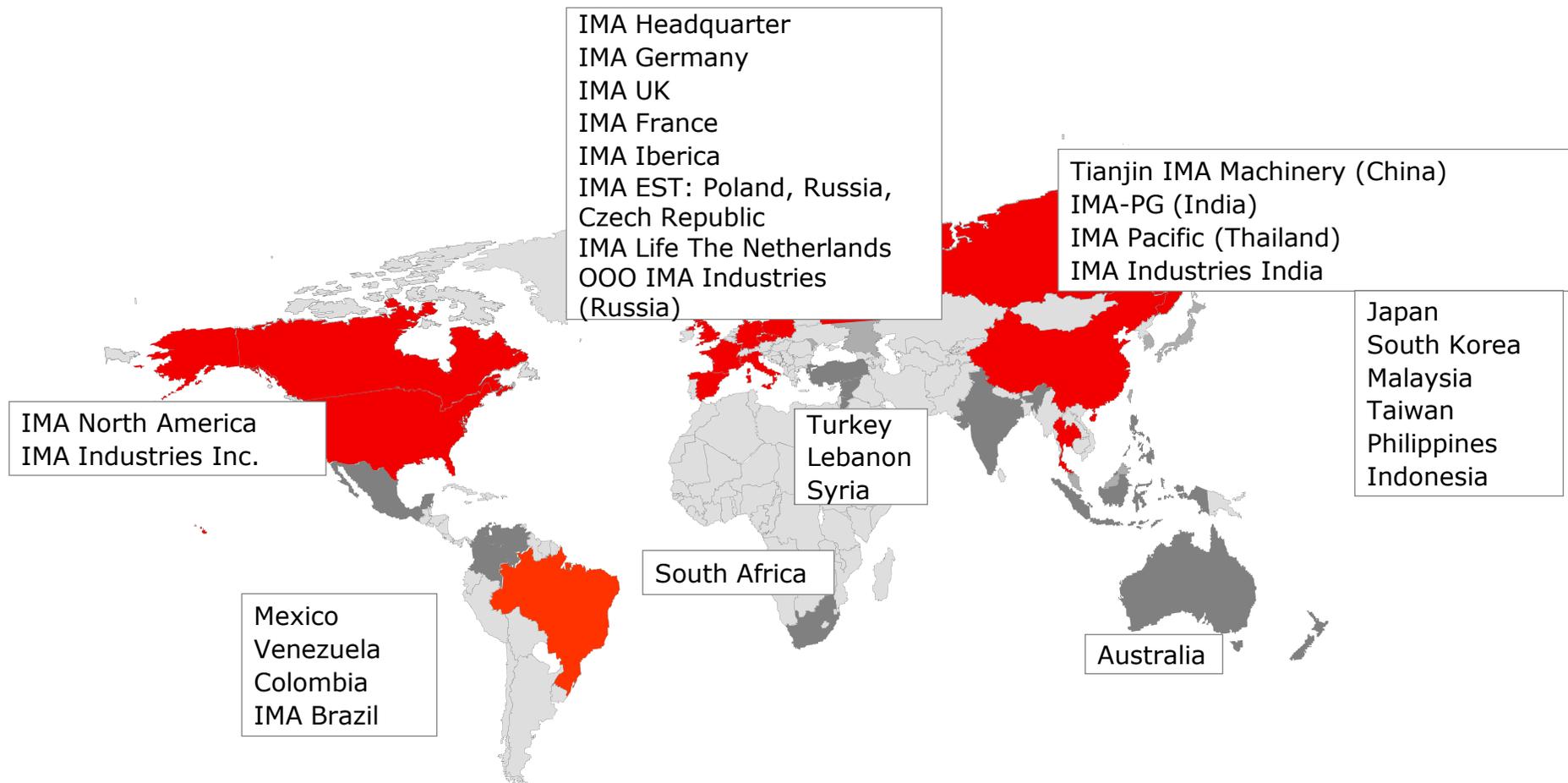
## Sales Representatives

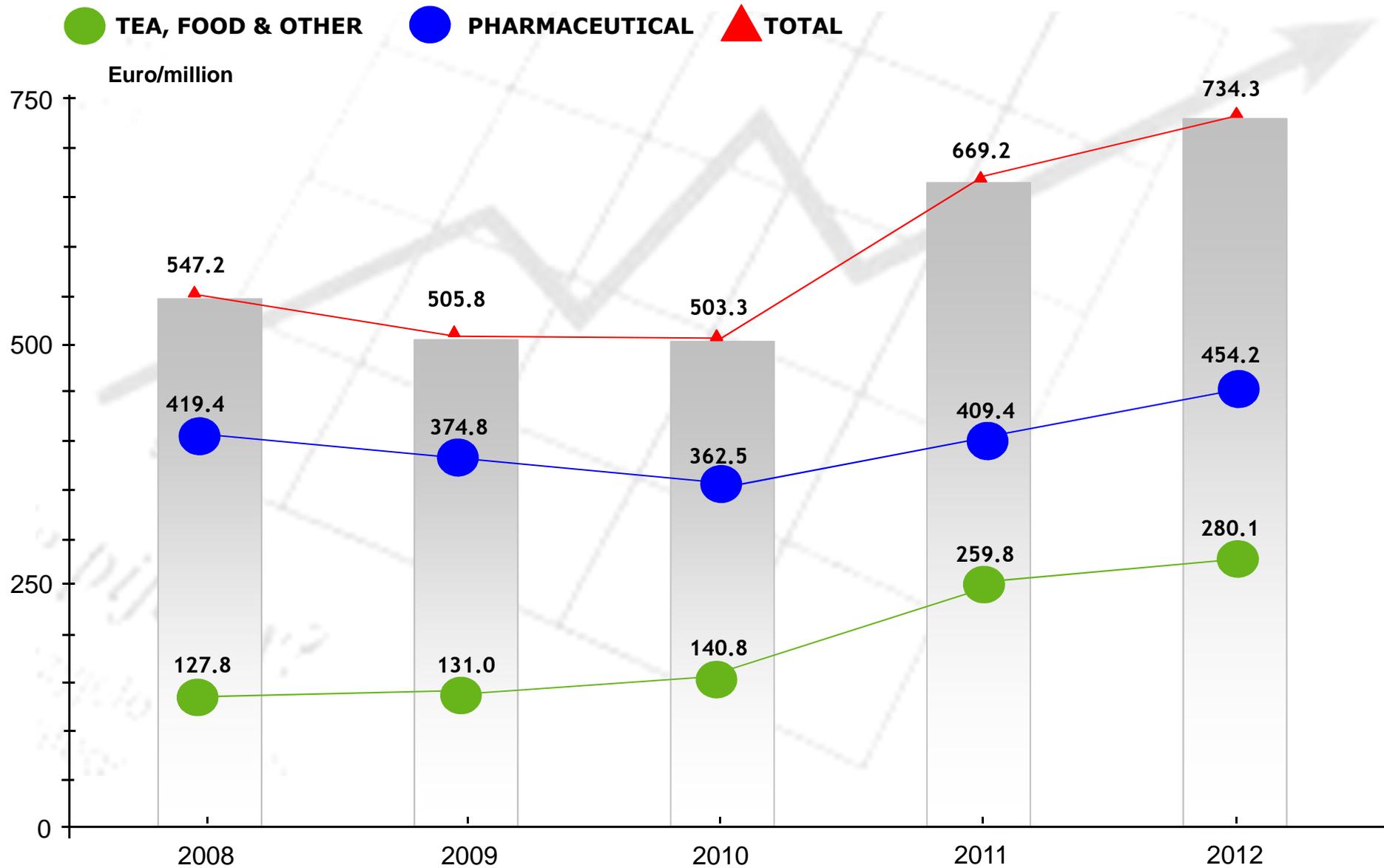
Presence in over 70 countries with headquarters in Italy, 15 branch offices in Europe, North America, South America and Asia, and more than 50 local agents.



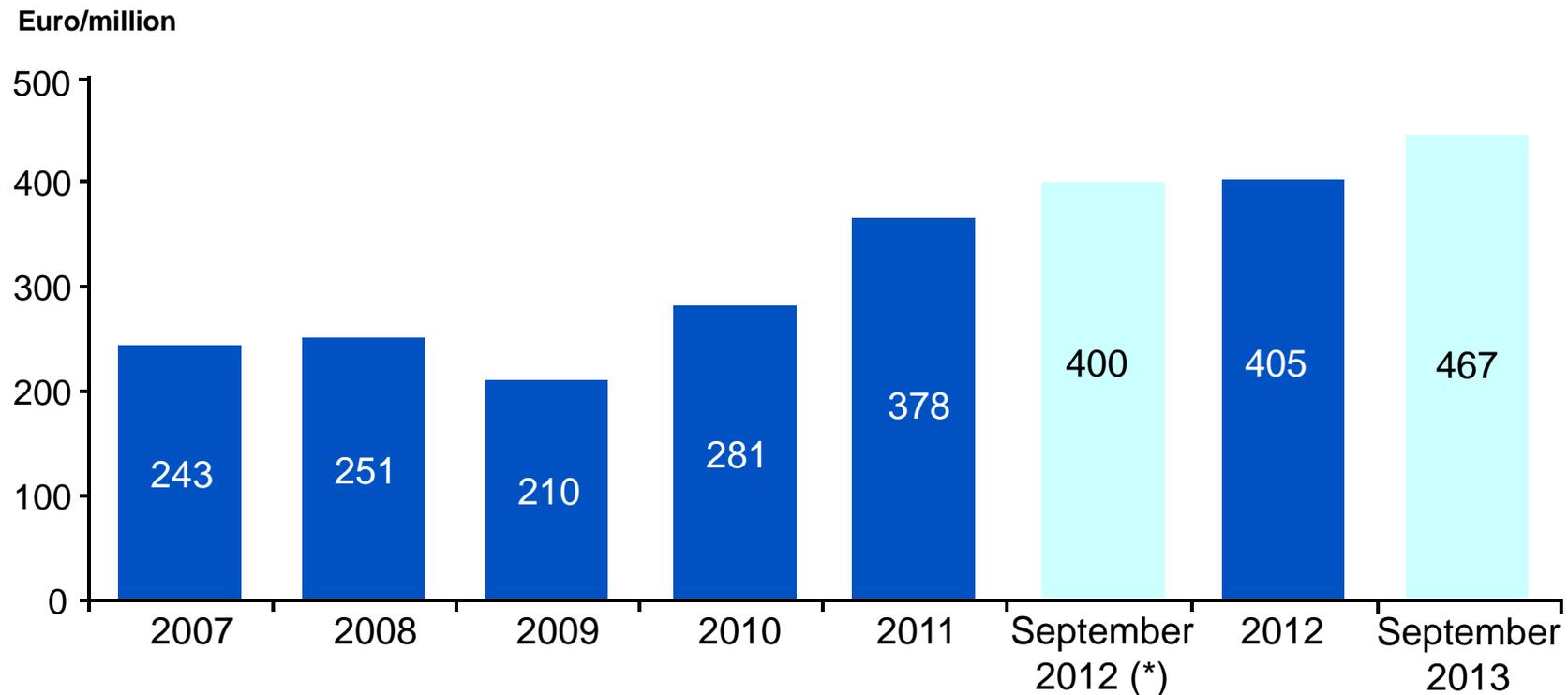
## After Sales Assistance

IMA provides world-wide technical assistance through its headquarters in Italy, branch offices in Europe, North America, South America and Asia and local agents.





- Strong trend of order acquisition during 2013, in both pharmaceuticals and food, with a considerable number of negotiations currently underway
- The order book at September 30, 2013 is at € 467 million that compares to € 400 million at September 30, 2012 (restated), for a 17% increase



(\*) Restated order book. € 433 million order book at September 30, 2012 not restated

# 3RD QUARTER 2013 RESULTS

**Figures for the 3<sup>rd</sup> quarter of 2012 have been restated for:**

- . the adoption of the revised version of IAS 19 – Employee Benefits**
- . the sale of the Stephan business**
- . the sale of Kilian**

## 30.09.2013 vs. 30.09.2012 Restated

IMA	3rd Quarter 2013	%	3rd Quarter 2012 Restated	%
<i>Euro/million</i>				
<b>Revenues</b>	<b>497.30</b>	<b>100.0%</b>	<b>440.30</b>	<b>100.0%</b>
Cost of sales	(295.30)	-59.4%	(259.20)	-58.9%
<b>Gross industrial income</b>	<b>202.00</b>	<b>40.6%</b>	<b>181.10</b>	<b>41.1%</b>
R&D costs	(25.90)	-5.2%	(22.00)	-5.0%
Sales costs	(57.20)	-11.5%	(54.40)	-12.4%
General and administrative costs	(64.80)	-13.0%	(63.60)	-14.4%
<b>EBIT</b>	<b>54.10</b>	<b>10.9%</b>	<b>41.10</b>	<b>9.3%</b>
Net financial income (expense)	(6.10)	-1.2%	(7.10)	-1.6%
Profit (loss) from investments accounted for using the equity method	0.80	0.2%	0.60	0.1%
Taxes	(19.40)	-3.9%	(14.10)	-3.2%
Net profit from discontinued operations / disposal groups	7.80	1.6%	2.90	0.7%
Profit (loss) pertaining to minority interests	(2.00)	-0.4%	(0.60)	-0.1%
<b>GROUP PROFIT</b>	<b>35.20</b>	<b>7.1%</b>	<b>22.80</b>	<b>5.2%</b>
<b>EBITDA</b>	<b>67.00</b>	<b>13.5%</b>	<b>53.50</b>	<b>12.2%</b>

## 30.09.2013 vs. 30.09.2012

IMA	30/09/2013	%	30/09/2012	%	31/12/2012	%
<i>Euro/Million</i>						
Trade receivables	133.30		146.90		129.20	
Inventories	211.00		237.00		206.40	
Trade payables	(216.10)		(187.50)		(212.90)	
Other, net	(66.10)		(58.00)		(63.30)	
<b>Working capital</b>	<b>62.10</b>	<b>20.0%</b>	<b>138.40</b>	<b>38.5%</b>	<b>59.40</b>	<b>20.5%</b>
Property, plant and equipment	34.30		32.60		32.20	
Intangible assets	145.10		183.50		182.50	
Investments	39.00		25.50		25.50	
<b>Non-current assets</b>	<b>218.40</b>	<b>70.4%</b>	<b>241.60</b>	<b>67.2%</b>	<b>240.20</b>	<b>82.8%</b>
Provision for severance indemnities and other provisions	(0.40)		(20.40)		(9.60)	
<b>Net capital employed</b>	<b>280.10</b>	<b>90.3%</b>	<b>359.60</b>	<b>100.0%</b>	<b>290.00</b>	<b>100.0%</b>
Non-financial assets (liabilities) held for sale	30.20		0.00		0.00	
<b>Total net capital employed</b>	<b>310.30</b>	<b>100.0%</b>	<b>359.60</b>	<b>100.0%</b>	<b>290.00</b>	<b>100.0%</b>
Net debt	156.10	<b>50.3%</b>	225.60	<b>62.7%</b>	131.50	<b>45.3%</b>
Minority interests	5.80		4.20		5.50	
Group equity	148.40	<b>47.8%</b>	129.80	<b>36.1%</b>	153.00	<b>52.8%</b>
<b>Total sources of financing</b>	<b>310.30</b>	<b>100.0%</b>	<b>359.60</b>	<b>100.0%</b>	<b>290.00</b>	<b>100.0%</b>

## Revenues

<b>Euro/Million</b>	<b>3rd Quarter 2013</b>	<b>3rd Quarter 2012 Restated</b>	<b>Change</b>	<b>%</b>
Tea, Food & Other	176.5	152.2	24.3	16.0%
Pharmaceutical	320.8	288.1	32.7	11.4%
<b>Total Revenues</b>	<b>497.3</b>	<b>440.3</b>	<b>57.0</b>	<b>12.9%</b>

## Order trends

<b>Euro/Million</b>	<b>3rd Quarter 2013</b>	<b>3rd Quarter 2012 Restated</b>	<b>Change</b>	<b>%</b>
Tea, Food & Other	226.8	178.2	48.6	27.3%
Pharmaceutical	362.1	313.6	48.5	15.5%
<b>Total Order trends</b>	<b>588.9</b>	<b>491.8</b>	<b>97.1</b>	<b>19.7%</b>

## EBIT

<b>Euro/Million</b>	<b>3rd Quarter 2013</b>	<b>3rd Quarter 2012 Restated</b>	<b>Change</b>	<b>%</b>
Tea, Food & Other	20.3	16.9	3.4	20.1%
Pharmaceutical	33.8	24.2	9.6	39.7%
<b>Total EBIT</b>	<b>54.1</b>	<b>41.1</b>	<b>13.0</b>	<b>31.6%</b>

# Appendix

# 2012 RESULTS

**Figures for 2011 have been restated for the adoption of the revised version of IAS 19 – Employee Benefits**

## 31.12.2012 vs. 31.12.2011 Restated

IMA	2012	%	2011 Restated	%	change %
<i>Euro/million</i>					
<b>Revenues</b>	<b>734.31</b>	<b>100.0%</b>	<b>669.21</b>	<b>100.0%</b>	<b>9.7%</b>
Cost of sales	(429.93)	-58.5%	(398.50)	-59.5%	7.9%
<b>Industrial gross profit</b>	<b>304.38</b>	<b>41.5%</b>	<b>270.71</b>	<b>40.5%</b>	<b>12.4%</b>
R&D costs	(33.69)	-4.6%	(29.07)	-4.3%	15.9%
Sales costs	(88.93)	-12.1%	(80.12)	-12.0%	11.0%
General and administrative costs	(99.37)	-13.5%	(86.95)	-13.0%	14.3%
<b>EBITA</b>	<b>82.39</b>	<b>11.2%</b>	<b>74.57</b>	<b>11.1%</b>	<b>10.5%</b>
Writedowns/impairment of goodwill	(1.78)	-0.2%	(0.43)	-0.1%	314.0%
Non-recurring items	0.00	0.0%	(6.26)	-0.9%	-100.0%
<b>EBIT</b>	<b>80.61</b>	<b>11.0%</b>	<b>67.88</b>	<b>10.1%</b>	<b>18.8%</b>
Net financial income (expense)	(9.71)	-1.3%	(12.01)	-1.8%	-19.2%
Profit (loss) from investments accounted for using the equity method	0.61	0.1%	0.38	0.1%	60.5%
Income tax for the year	(20.91)	-2.8%	(24.19)	-3.6%	-13.6%
Prior year taxes	(1.17)	-0.2%	(2.70)	-0.4%	-56.7%
Profit (loss) pertaining to minority interests	(1.73)	-0.2%	(1.14)	-0.2%	51.8%
<b>GROUP PROFIT</b>	<b>47.70</b>	<b>6.5%</b>	<b>28.22</b>	<b>4.2%</b>	<b>69.0%</b>
<b>EBITDA BEFORE NON RECURRING CHARGES</b>	<b>101.42</b>	<b>13.8%</b>	<b>93.01</b>	<b>13.9%</b>	<b>9.0%</b>
<b>EBITDA</b>	<b>101.42</b>	<b>13.8%</b>	<b>86.75</b>	<b>13.0%</b>	<b>16.9%</b>

## 31.12.2012 vs. 31.12.2011

IMA	2012	%	2011	%
<i>Euro/Million</i>				
Trade receivables	129.23		145.68	
Inventories	206.36		201.80	
Trade payables	(212.86)		(209.85)	
Other, net	(63.37)		(54.98)	
<b>Working capital</b>	<b>59.36</b>	<b>20.5%</b>	<b>82.65</b>	<b>27.0%</b>
Property, plant and equipment	32.25		31.11	
Intangible assets	182.54		189.56	
Investments	25.47		23.40	
<b>Non-current assets</b>	<b>240.26</b>	<b>82.9%</b>	<b>244.07</b>	<b>79.7%</b>
Provision for severance indemnities and other provisions	(9.69)		(20.30)	
<b>Net capital employed</b>	<b>289.93</b>	<b>100.0%</b>	<b>306.42</b>	<b>100.0%</b>
Net debt	131.47	<b>45.3%</b>	157.50	<b>51.4%</b>
Minority interests	5.54		3.86	
Group equity	152.92	<b>52.7%</b>	145.06	<b>47.3%</b>
<b>Total sources of financing</b>	<b>289.93</b>	<b>100.0%</b>	<b>306.42</b>	<b>100.0%</b>

IMA	2012	%	2011	%
<i>Euro/Million</i>		<i>on sales</i>		<i>on sales</i>
Trade receivables	129.23	17.6%	145.68	21.8%
Inventories	206.36	28.1%	201.80	30.2%
Trade payables	(127.80)	(17.4%)	(141.13)	(21.1%)
Advances from customers	(85.06)	(11.6%)	(68.73)	(10.3%)
<b>N.O.W.C.</b>	<b>122.73</b>	<b>16.7%</b>	<b>137.62</b>	<b>20.6%</b>

Despite the strong growth in revenues, the Net Working Capital has decreased.

The increase of Inventories and Advances from customers is linked to the increased year-end order backlog and to different timing of order intake.

## 31.12.2012 vs. 31.12.2011

<b>IMA - CASH FLOW</b>	<b>2012</b>	<b>2011</b>
<i>Euro/Million</i>		
EBIT	80.61	66.51
Depreciation and amortization	20.82	18.87
Capital expenditure	(15.01)	(14.13)
Change in working capital	14.89	(17.96)
Change in other assets/liabilities	(2.20)	5.20
<b>Operating cash flow</b>	<b>99.11</b>	<b>58.49</b>
Net financial charges	(9.11)	(10.56)
Income taxes	(22.07)	(26.81)
<b>Cash flow from operations</b>	<b>67.93</b>	<b>21.12</b>
Acquisitions	(2.00)	(58.10)
<b>Cash flow from extraordinary operations</b>	<b>(2.00)</b>	<b>(58.10)</b>
Dividends	(36.77)	(33.15)
Other changes in net equity	(2.72)	1.18
Change in scope of consolidation	0.00	(10.90)
Treasury Shares	(0.41)	(0.30)
Capital increase	0.00	36.16
<b>Change in net financial position</b>	<b>26.03</b>	<b>(43.99)</b>
Opening net financial position	157.50	113.51
Closing net financial position	131.47	157.50

<i>Euro/Million</i>	<i>Tea, Food &amp; Other</i>		<i>Pharmaceutical</i>		<i>Unallocated</i>		<i>Total</i>	
	<i>2012</i>	<i>2011 Restated</i>	<i>2012</i>	<i>2011 Restated</i>	<i>2012</i>	<i>2011 Restated</i>	<i>2012</i>	<i>2011 Restated</i>
<b>Sales</b>	280.1	259.8	454.2	409.4			<b>734.3</b>	<b>669.2</b>
<b>EBITDA before non-recurring charges</b>	47.5	46.2	53.9	46.8			<b>101.4</b>	<b>93.0</b>
<i>% on sales</i>	<i>17.0%</i>	<i>17.8%</i>	<i>11.9%</i>	<i>11.4%</i>			<i>13.8%</i>	<i>13.9%</i>
<b>Ebit</b>	39.9	36.9	40.7	31.0			<b>80.6</b>	<b>67.9</b>
<i>% on sales</i>	<i>14.2%</i>	<i>14.2%</i>	<i>9.0%</i>	<i>7.6%</i>			<i>11.0%</i>	<i>10.1%</i>
<b>Net Invested capital (*)</b>	105.0	105.3	165.9	189.4	19.0	11.7	<b>289.9</b>	<b>306.4</b>
<b>Order Backlog</b>	140.9	131.2	264.0	246.9			<b>404.9</b>	<b>378.1</b>
<b>Orders</b>	289.8	276.5	471.3	458.5			<b>761.1</b>	<b>735.0</b>

(\*) *Unallocated assets and liabilities are mainly related to investments which cannot be allocated accurately to the above divisions.*

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For further details on IMA Group reference should be made to publicly available information, including the Annual Report and the Semi-Annual and Quarterly Reports.

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