

Company results

Innovative Automatic Machine System Solutions

INVESTOR RELATIONS

Star Conference London, October 01st 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
- More than 3,300 employees, more than 1,400 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 1,000 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

Cadbury ADAMS



WRIGLEY



Nestlé

The Coca-Cola Company



P&G

Procter & Gamble

PHILIP MORRIS



COMPETITIVE ADVANTAGES

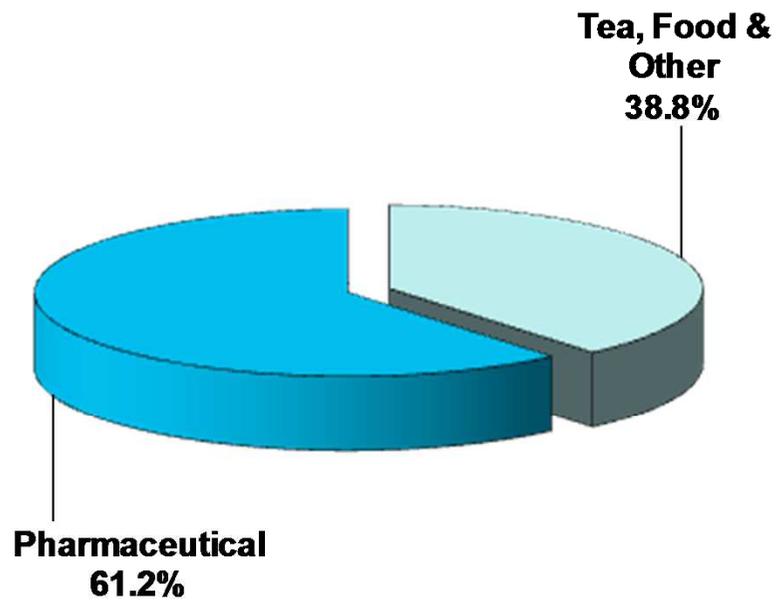
- Cutting-edge R&D laboratories
- Continuous product innovation
- A winning business model
- High customer loyalty
- Excellent positioning thanks to an extensive customer service network and a full product range to offer
- High barriers to market entry

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*

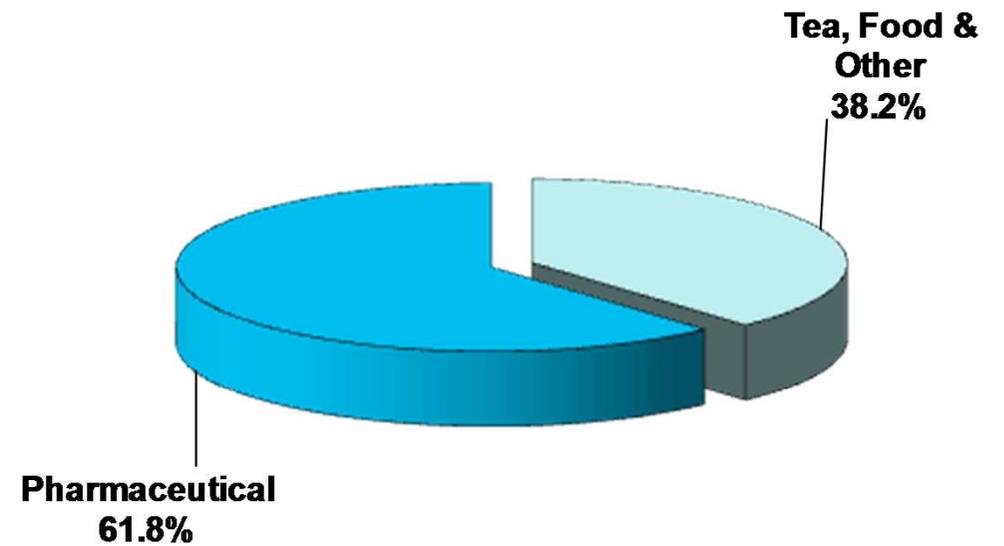
2011

Total sales: € 669.2 million



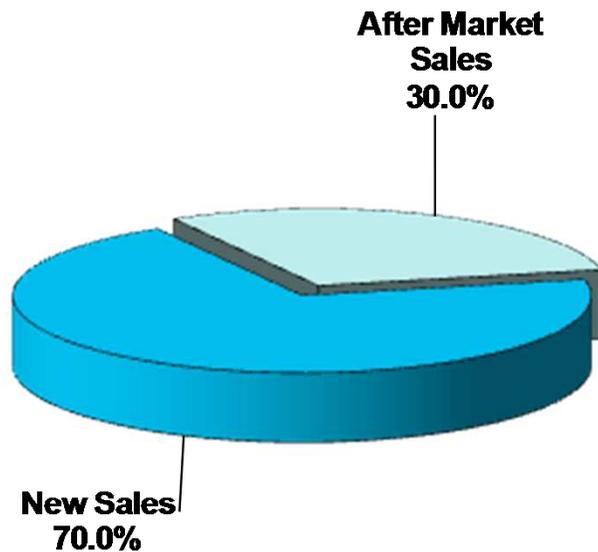
2012

Total sales: € 734.3 million

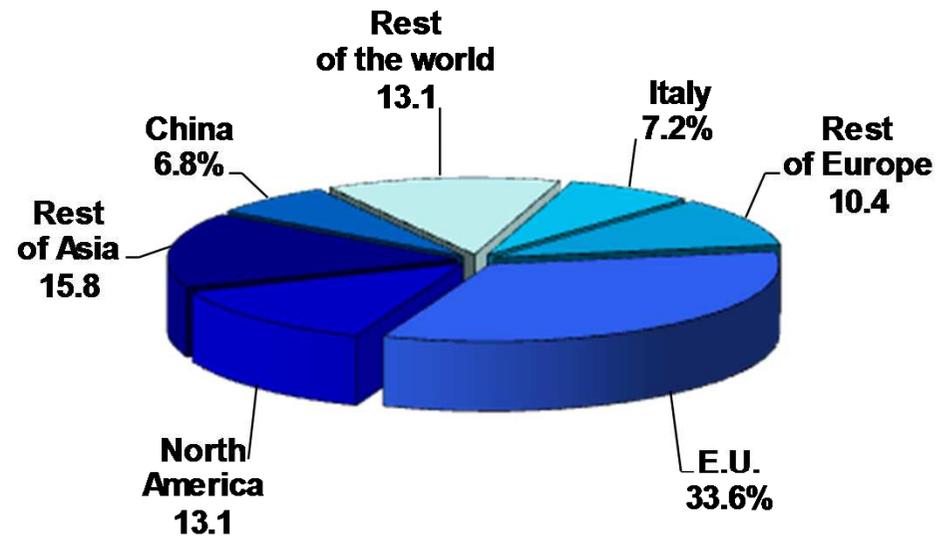


- Significant share of the Group's earnings generated by after-sale services, spare parts and equipment, which are higher-margin and recurring in nature (30% of overall revenues)
- Geographically well diversified revenue sources

Revenues by Nature 2012

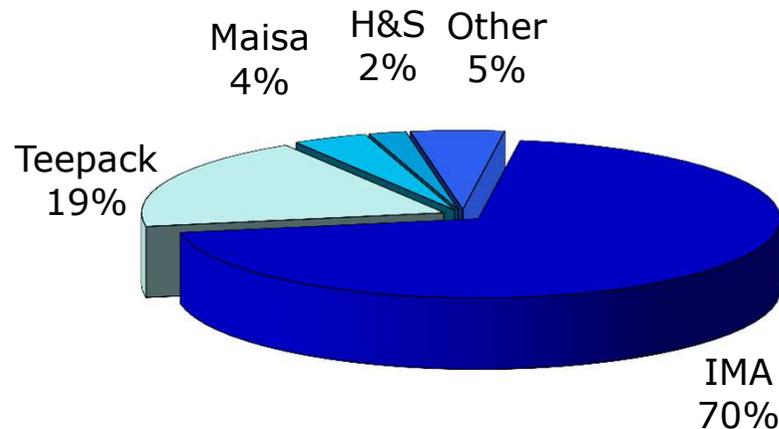


Revenues by Geography 2012



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

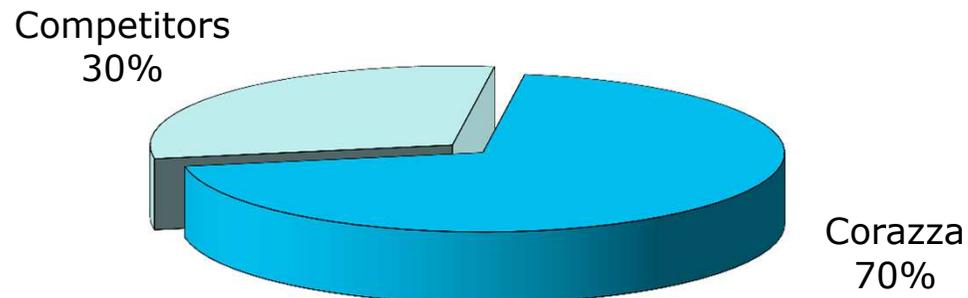
Long experience operating in food, confectionery, beverage, pharmaceutical and assembly packaging solutions.

- 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



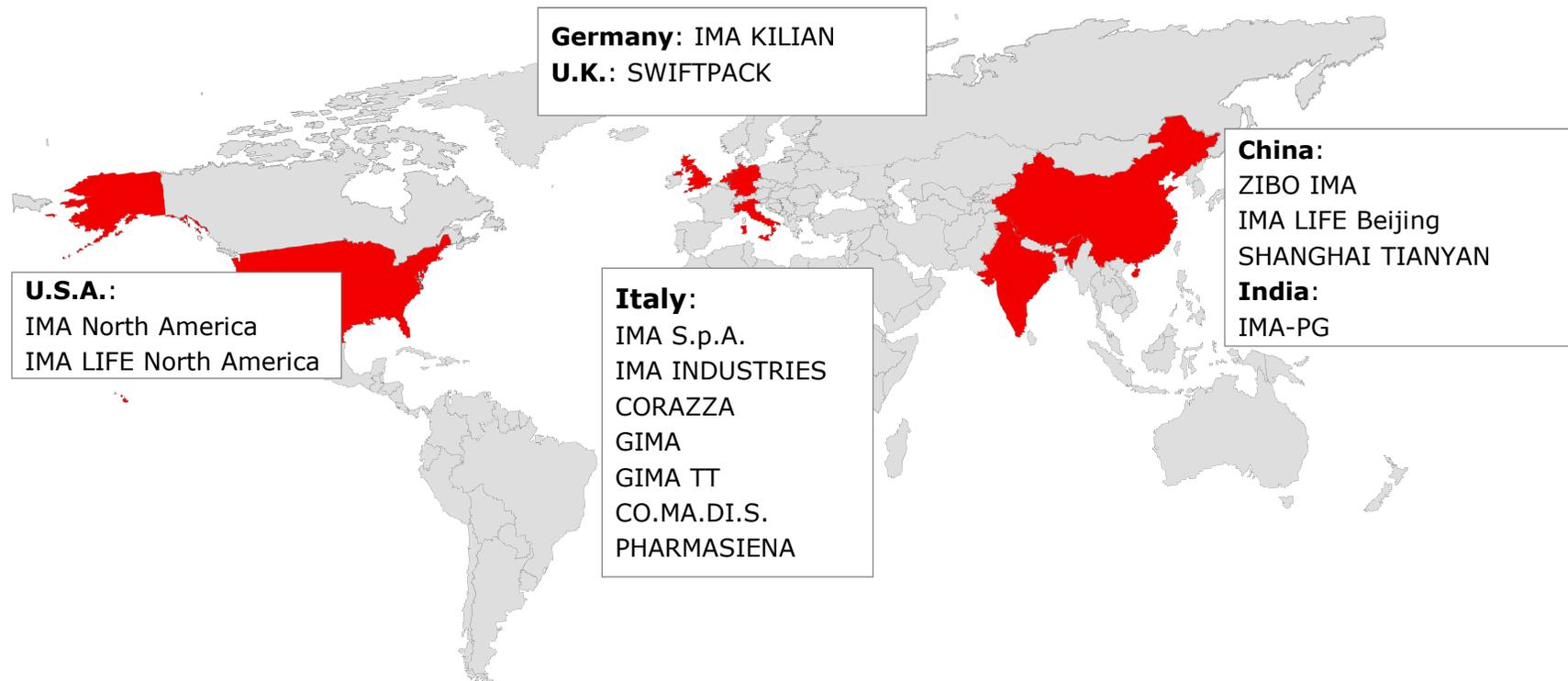
Company estimates

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

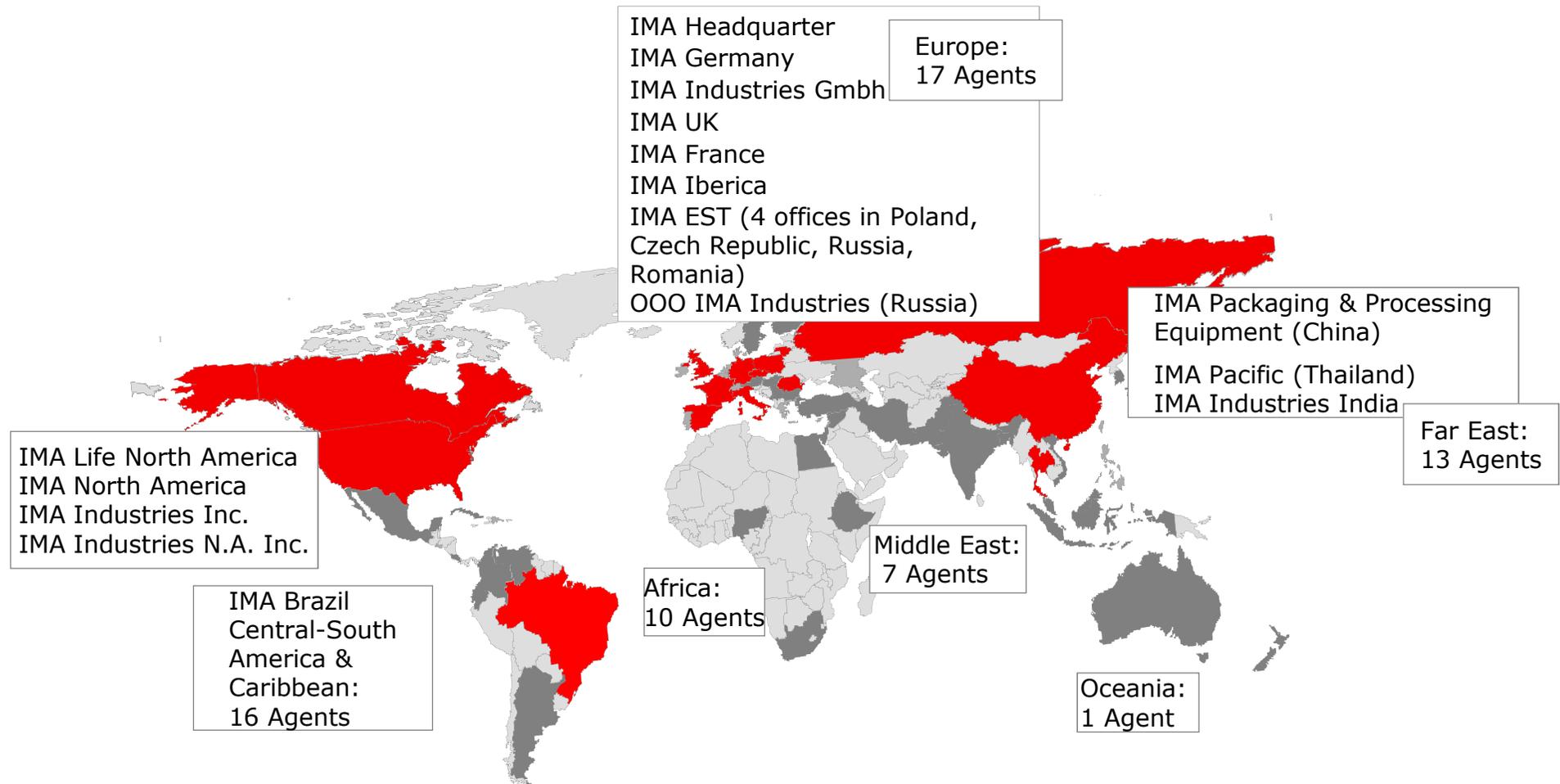
Production Facilities

IMA manufactures equipment in 22 production facilities located in Italy, Germany, UK, USA, India, China.



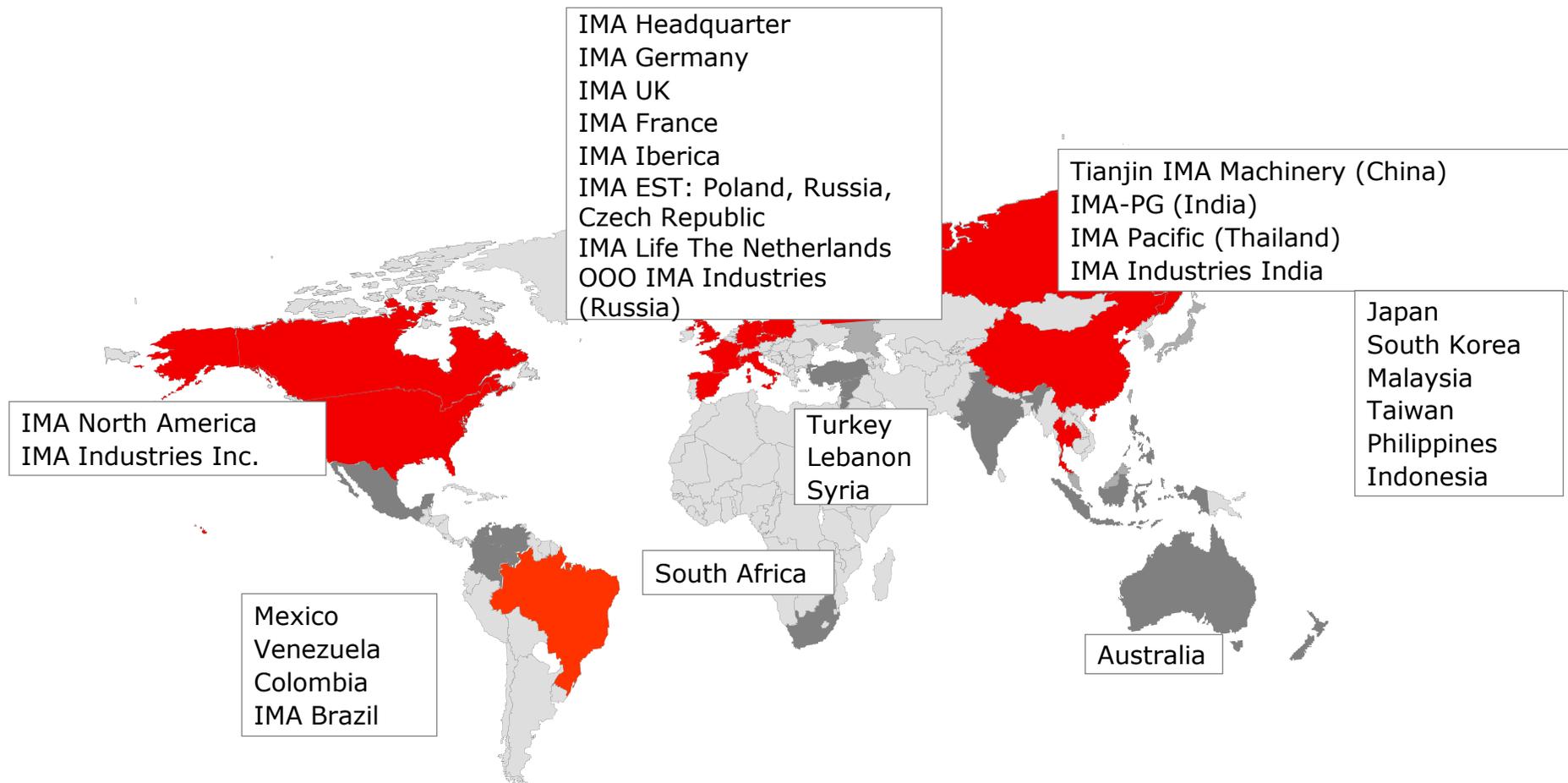
Sales Representatives

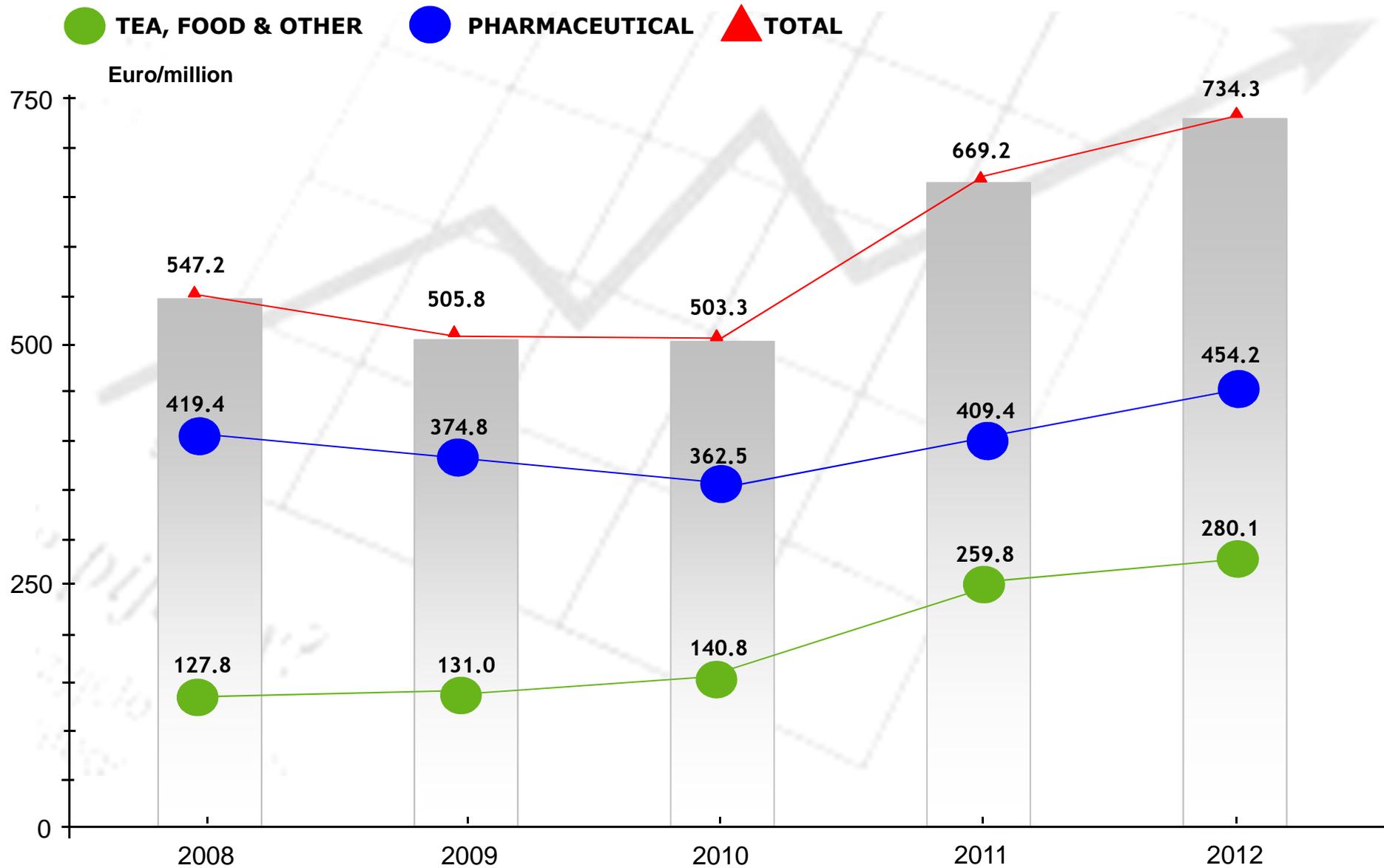
Presence in over 70 countries with headquarters in Italy, 15 branch offices in Europe, North America, South America and Asia, and more than 50 local agents.



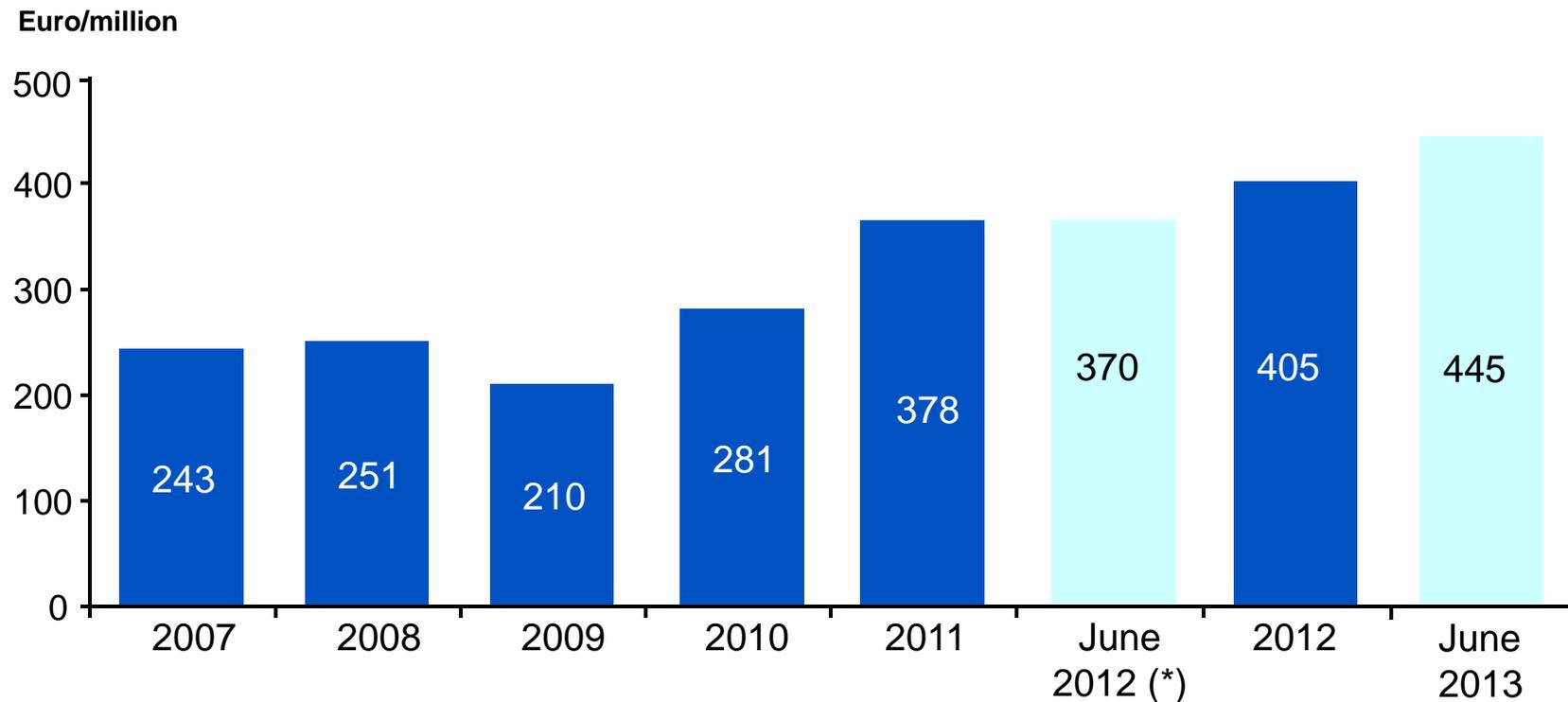
After Sales Assistance

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 the whole 1H 2013 in both pharmaceuticals and food, with a considerable number of negotiations currently underway
- The order book at June 30, 2013 is at € 445 million that compares to € 370 million at June 30, 2012 (restated), for a 20% increase



(*) Restated order book. € 401 million order book at June 30, 2012 not restated

1ST HALF 2013 RESULTS

Figures for the first half of 2012 have been restated for:

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

30.06.2013 vs. 30.06.2012 Restated

IMA	1st Half 2013	%	1st Half 2012 Restated	%
<i>Euro/million</i>				
Revenues	327.50	100.0%	297.60	100.0%
Cost of sales	(191.80)	-58.6%	(175.30)	-58.9%
Gross industrial income	135.70	41.4%	122.30	41.1%
R&D costs	(17.90)	-5.5%	(15.30)	-5.1%
Sales costs	(39.50)	-12.1%	(37.50)	-12.6%
General and administrative costs	(44.60)	-13.6%	(42.70)	-14.3%
EBIT	33.70	10.3%	26.80	9.0%
Net financial income (expense)	(3.70)	-1.1%	(4.90)	-1.6%
Profit (loss) from investments accounted for using the equity method	0.80	0.2%	0.60	0.2%
Taxes	(9.80)	-3.0%	(9.20)	-3.1%
Net profit from discontinued operations / disposal groups	7.80	2.4%	0.60	0.2%
Profit (loss) pertaining to minority interests	(1.10)	-0.3%	(0.50)	-0.2%
GROUP PROFIT	27.70	8.5%	13.40	4.5%
EBITDA	42.20	12.9%	35.10	11.8%

30.06.2013 vs. 30.06.2012

IMA	30/06/2013	%	30/06/2012	%	31/12/2012	%
<i>Euro/Million</i>						
Trade receivables	134.40		156.70		129.20	
Inventories	208.40		229.10		206.40	
Trade payables	(231.30)		(214.00)		(212.90)	
Other, net	(61.00)		(57.90)		(63.30)	
Working capital	50.50	17.2%	113.90	34.1%	59.40	20.5%
Property, plant and equipment	32.90		32.00		32.20	
Intangible assets	147.20		185.60		182.50	
Investments	33.30		23.00		25.50	
Non-current assets	213.40	72.5%	240.60	71.9%	240.20	82.8%
Provision for severance indemnities and other provisions	0.30		(20.10)		(9.60)	
Net capital employed	264.20	89.7%	334.40	100.0%	290.00	100.0%
Non-financial assets (liabilities) held for sale	30.20		0.00		0.00	
Total net capital employed	294.40	100.0%	334.40	100.0%	290.00	100.0%
Net debt	143.50	48.7%	209.60	62.7%	131.50	45.3%
Minority interests	7.00		4.10		5.50	
Group equity	143.90	48.9%	120.70	36.1%	153.00	52.8%
Total sources of financing	294.40	100.0%	334.40	100.0%	290.00	100.0%

Revenues

Euro/Million	1st Half 2013	1st Half 2012 Restated	Change	%
Tea, Food & Other	118.9	107.2	11.7	10.9%
Pharmaceutical	208.6	190.4	18.2	9.6%
Total Revenues	327.5	297.6	29.9	10.0%

Order trends

Euro/Million	1st Half 2013	1st Half 2012 Restated	Change	%
Tea, Food & Other	153.6	113.5	40.1	35.3%
Pharmaceutical	243.8	205.8	38.0	18.5%
Total Order trends	397.4	319.3	78.1	24.5%

EBIT

Euro/Million	1st Half 2013	1st Half 2012 Restated	Change	%
Tea, Food & Other	15.7	12.1	3.6	29.8%
Pharmaceutical	18.0	14.7	3.3	22.4%
Total EBIT	33.7	26.8	6.9	25.7%

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>					
Revenues	734.31	100.0%	669.21	100.0%	9.7%
Cost of sales	(429.93)	-58.5%	(398.50)	-59.5%	7.9%
Industrial gross profit	304.38	41.5%	270.71	40.5%	12.4%
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%
EBITA	82.39	11.2%	74.57	11.1%	10.5%
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%
EBIT	80.61	11.0%	67.88	10.1%	18.8%
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%
GROUP PROFIT	47.70	6.5%	28.22	4.2%	69.0%
EBITDA BEFORE NON RECURRING CHARGES	101.42	13.8%	93.01	13.9%	9.0%
EBITDA	101.42	13.8%	86.75	13.0%	16.9%

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)	
Working capital	59.36	20.5%	82.65	27.0%
Property, plant and equipment	32.25		31.11	
Intangible assets	182.54		189.56	
Investments	25.47		23.40	
Non-current assets	240.26	82.9%	244.07	79.7%
Provision for severance indemnities and other provisions	(9.69)		(20.30)	
Net capital employed	289.93	100.0%	306.42	100.0%
Net debt	131.47	45.3%	157.50	51.4%
Minority interests	5.54		3.86	
Group equity	152.92	52.7%	145.06	47.3%
Total sources of financing	289.93	100.0%	306.42	100.0%

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%)
N.O.W.C.	122.73	16.7%	137.62	20.6%

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

IMA - CASH FLOW	2012	2011
<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
Operating cash flow	99.11	58.49
Net financial charges	(9.11)	(10.56)
Income taxes	(22.07)	(26.81)
Cash flow from operations	67.93	21.12
Acquisitions	(2.00)	(58.10)
Cash flow from extraordinary operations	(2.00)	(58.10)
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
Change in net financial position	26.03	(43.99)
Opening net financial position	157.50	113.51
Closing net financial position	131.47	157.50

<i>Euro/Million</i>	<i>Tea, Food & 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>
Sales	280.1	259.8	454.2	409.4			734.3	669.2
EBITDA before non-recurring charges	47.5	46.2	53.9	46.8			101.4	93.0
<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>
Ebit	39.9	36.9	40.7	31.0			80.6	67.9
<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>
Net Invested capital (*)	105.0	105.3	165.9	189.4	19.0	11.7	289.9	306.4
Order Backlog	140.9	131.2	264.0	246.9			404.9	378.1
Orders	289.8	276.5	471.3	458.5			761.1	735.0

(*) *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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