

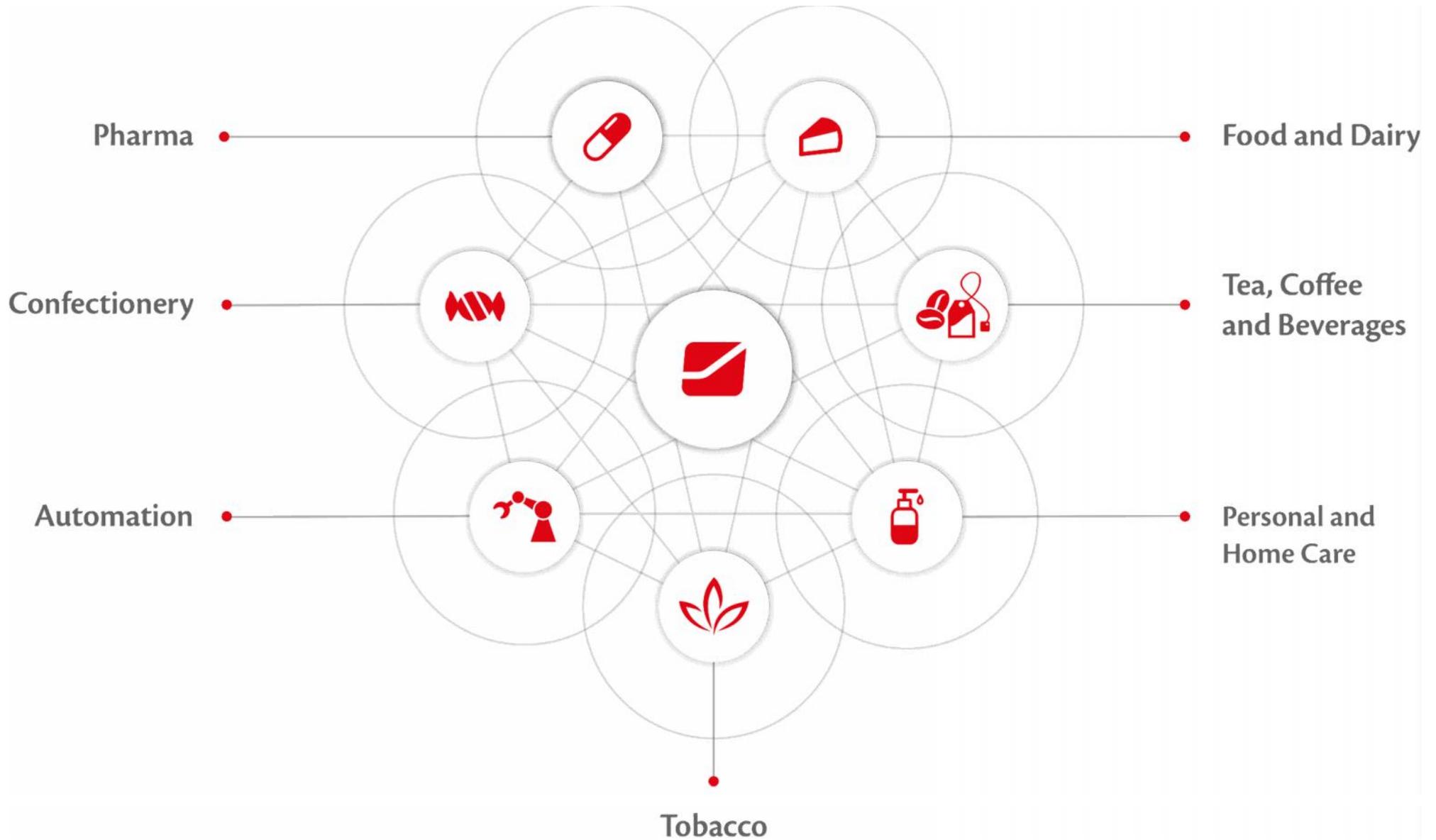
# Company results

Innovative Automatic Machine  
System Solutions

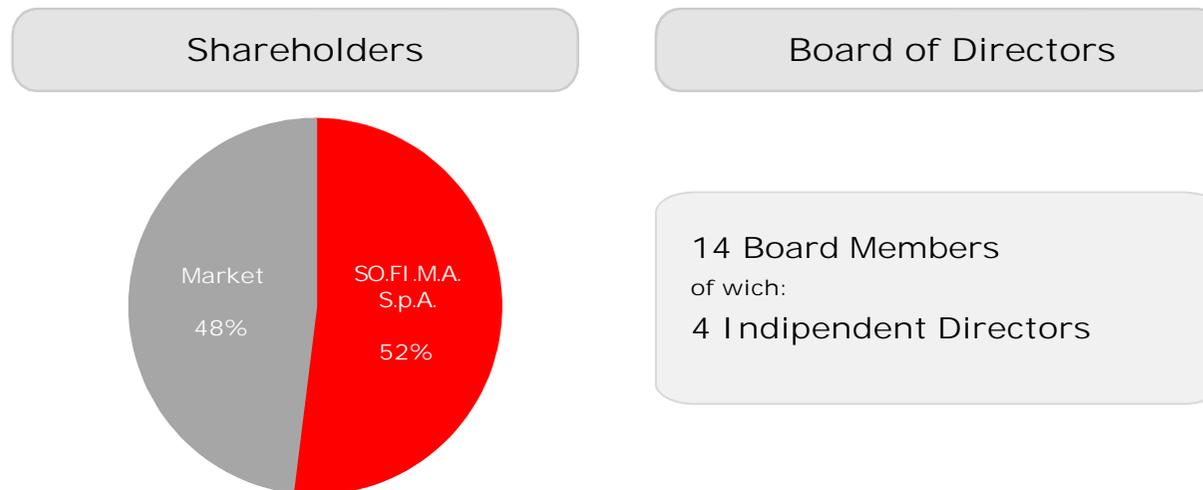
3<sup>rd</sup> QUARTER 2020 RESULTS

INVESTOR RELATIONS

10 November 2020



- IMA is world leader in the design and manufacture of automatic machines for the processing and packaging of pharmaceuticals, cosmetics, food, tea and coffee and tobacco
- 6,200 employees, of which more than 2,400 based abroad (YTD)
- In 2019 € 1,595.5 millions worldwide sales, of which about 88% outside Italy
- World-wide sales and service network
- More than 1,700 patents worldwide
- Established in 1961, IMA S.p.A. has been listed on the Milan Stock Exchange since 1995 and in 2001 joined the STAR segment



## COMPETITIVE ADVANTAGES

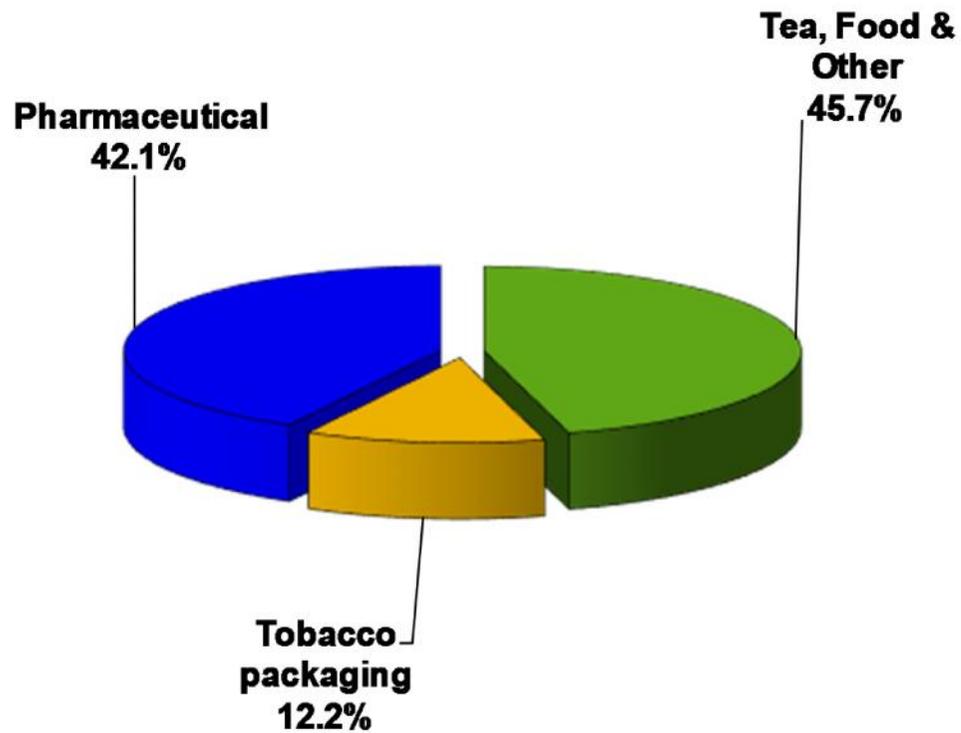
- Cutting-edge R&D laboratories
- Continuous product innovation
- A winning business model
- High customer loyalty
- Excellent positioning thanks to an extensive customer service network and a full product range to offer
- High barriers to market entry

## 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

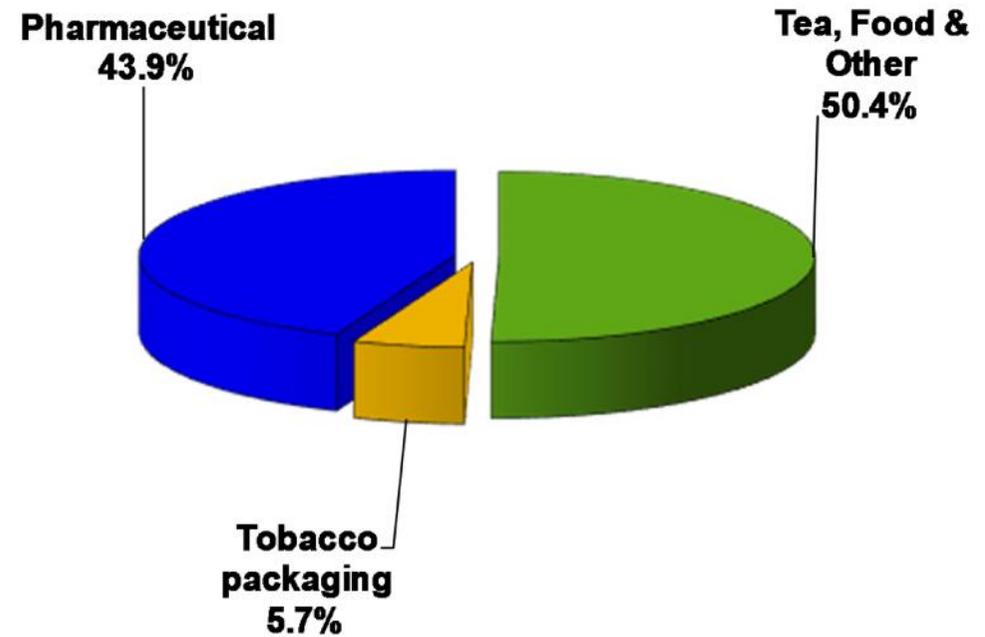
2018

Total sales: € 1,500.4 million



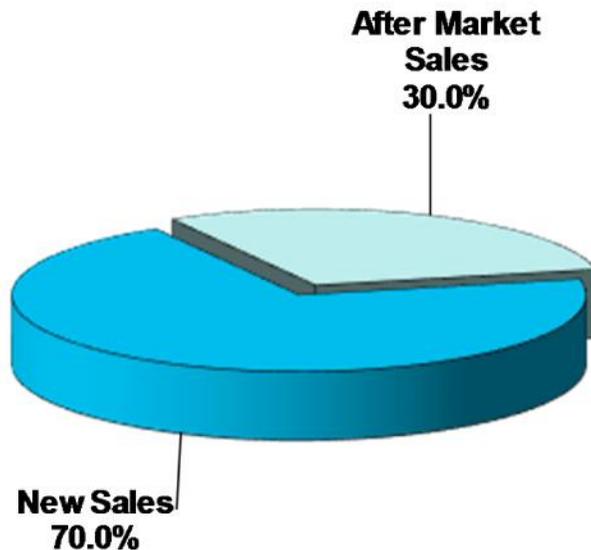
2019

Total sales: € 1,595.5 million

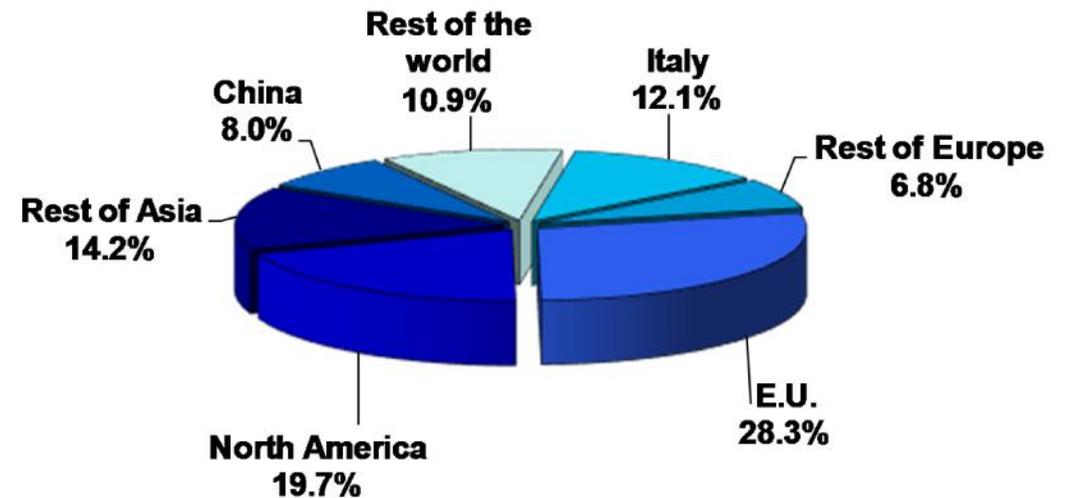


- Significant share of the Group's earnings generated by after-sale services, spare parts and equipment, which are higher-margin and recurring in nature (30% of overall revenue)
- Geographically well diversified revenue sources

### Revenue by Nature 2019



### Revenue by Geography 2019





## Pharmaceutical sector

- A sector that's still fragmented and dominated by German and Italian companies
- Most companies are specialised in one product line
- Very much a "crafts-like" industry with a high degree of customisation
- Continuing investments for innovation (R&D)
- Ever changing and increasingly severe regulatory agency standards
- Multinational customers call for an international presence
- IMA has the widest range of state-of-the-art automatic processing and packaging systems. IMA is a sole provider of complete solutions



## Pharmaceutical sector

IMA Active - Solid dose processing phase

Granulation, tableting, capsule filling and banding, weight checking, coating, handling and washing.



IMA Life - Aseptic processing and freeze drying solutions

Preserving the integrity of the pharmaceutical product, ensuring the maximum level of sterility and protecting both the operator and the environment by means of highly specialized aseptic containment process systems.



IMA Safe - Packaging Solutions

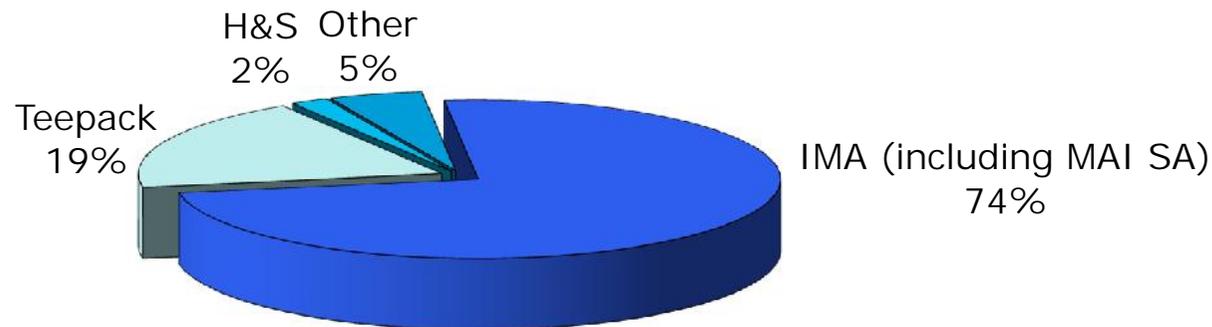
Complete primary and secondary packaging lines to the pharmaceutical and extra-pharma industries.





## 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



## Coffee complete solutions





## Coffee Packaging solutions



COFFEE



PODS



INJECTED  
CAPSULE



THERMOFORMED  
CAPSULE  
FOR ESPRESSO



THERMOFORMED  
CAPSULE  
FOR DRIP COFFEE



PILLOW BAG



VACUUM PACK



STAND-UP BAG



HEATSEALED  
OUTER  
ENVELOPE



STAND-UP  
BAG



DISPENSING BOX



FLOWPACK



PRE-GLUED BOX



FLAT-BLANK BOX



FLIP TOP BOX



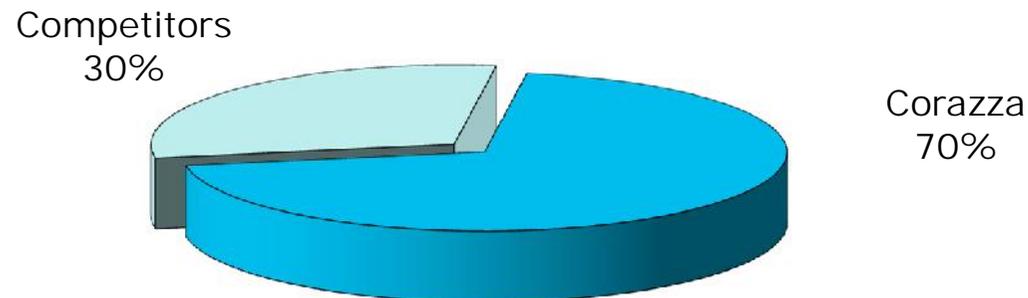
SHIPPING CASE  
AND PALLET



Corazza SpA

- It's world leading manufacturer of packaging machines for Soup Cubes, Processed Cheese, Butter, Margarine and Yeast
- The main competitors are German companies: Bosch Sapal

Stock Cubes and Dairy Packaging market share



Company estimates

Flexible packaging sector

Ilapak & Eurosicma

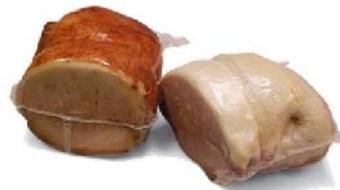
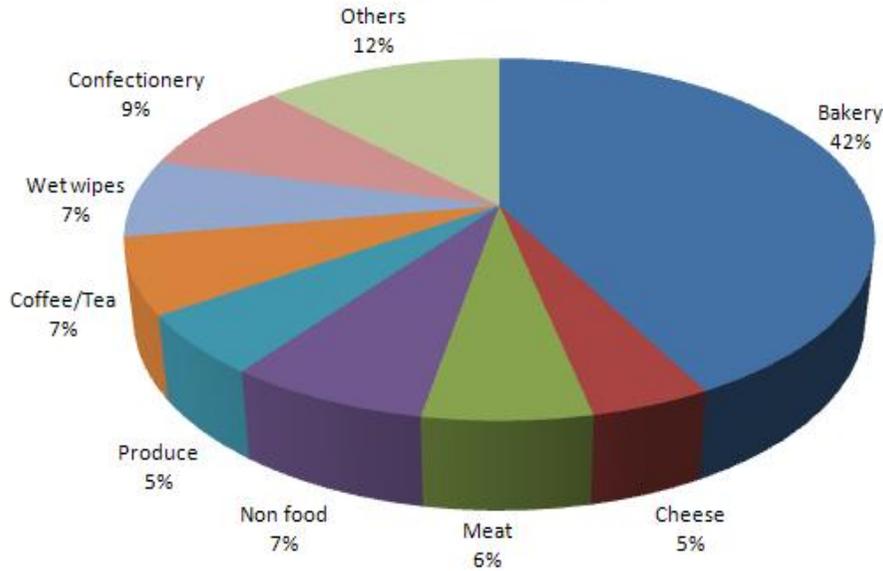
Long experience operating in food and non food flexible packaging solutions

- Wide Horizontal and Vertical Form Fill Seal product range covering the different segment of the market from complete packaging lines to entry level machines
- leading position in the bakery, produce, cheese, meat and wet wipe industries
- Unique international sales and service network providing highly perceived by the customers
- Main competitors: ULMA, PFM, Bosch

Ilapak group



Sales by Industry



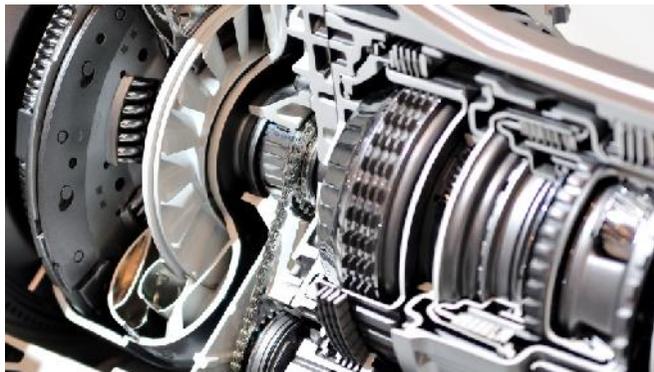


## Medical devices & vision care

- Inhalers
- Syringes and catheters
- Pen systems
- Diagnostic devices
- Infusion products
- Contact lenses

## Caps & closure

- Carton fitments
- Push pull
- Sport-caps
- Safety-closures
- Non-refillable closures



## Automotive

- Platforms for clutch assembly



## ATOP

On 2nd of July, IMA completed the closing with Charme Capital Partners (the pan-European mid-market private equity firm) and with the founders of the company for the acquisition of 63% of ATOP, a leading company in the sector of automatic machines and lines for the production of electric motors for the automotive sector and, in particular, for E-traction. As a result, IMA, which was already a shareholder of the company since 2017 with a 21% stake, now has a total interest of around 84%.

Founded in 1993 and headquartered in Barberino Val D'Elsa (Florence), ATOP operates with a consolidated proprietary know-how, combined with the continuous search for innovative technological solutions often developed in co-design with its customers, well diversified in more than 380 companies and represented by well-known and innovative industrial groups worldwide. ATOP designs and builds innovative machines and automatic lines for electric traction for sustainable mobility (E-mobility), where it expects to generate more than 50% of 2019 revenues, as well as for the traditional automotive, household appliances and power tools sectors.

IMA's investment amounted to around 230 million euros (Enterprise Value of approximately 380 million euros), paid at the closing date, with a financial income in the current year due to the fair value measurement of the existing interest in Atop of approximately 50 million euros.

Put & Call options were also taken out on the shares reinvested by the founding shareholders for a total of 6% of the capital, to be exercised after the date of approval of the financial statements at 31st December 2021.

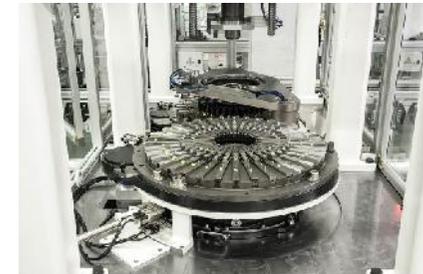
For 2019, ATOP expects revenues of 89 million euros (up 50% compared with 60 million in 2018), an EBITDA of 25 million euros (up 59% compared with 15.8 million in 2018), approximately 250 employees (with more than 50 new hires in the last 2 years) and a net financial debt of 13.5 million euros.



## ATOP

- Leading player in the design and manufacturing of automated lines for the production of stators and rotors for electric motors, focused in the highest value-added segment of E-traction
- Top class proprietary IP and technology, with more than 500 patents
- Technology leadership in hairpin, reference for large scale production of traction electric motors
- Large scale addressable E-traction market, with further material growth forecasted from 2021/2022, driven by the underlying automotive market shift towards electric cars (electrification and autonomous drive)
- Top class customer base of major carmakers and Tier 1 around the world

### E-traction





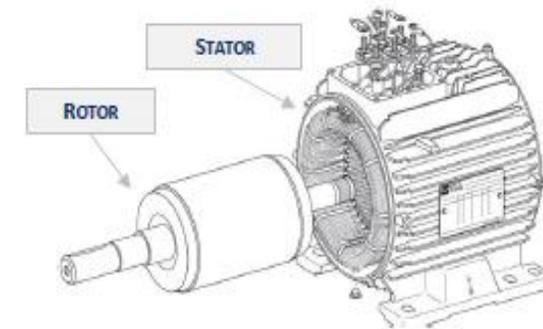
## Key Highlights

Atop manufactures machines and automatic lines for the production of stators and rotors wound by copper or aluminium wire for electric motors

Stators and rotors are the main components of electric motors

Both in the rotor and in the stator, magnetic fields are formed by the presence of electromagnetic conductors such as a wire in the shape of a coil

Wires constituting the coil are called windings, which are typically wrapped around a laminated soft iron magnetic core so as to form magnetic poles when energized with current. Different technologies exist to lay wire in a coil



## Stator

The stationary part of the motor's electromagnetic circuit

Typically consists of either windings or permanent magnets



## Rotor

The moving part of an electric motor

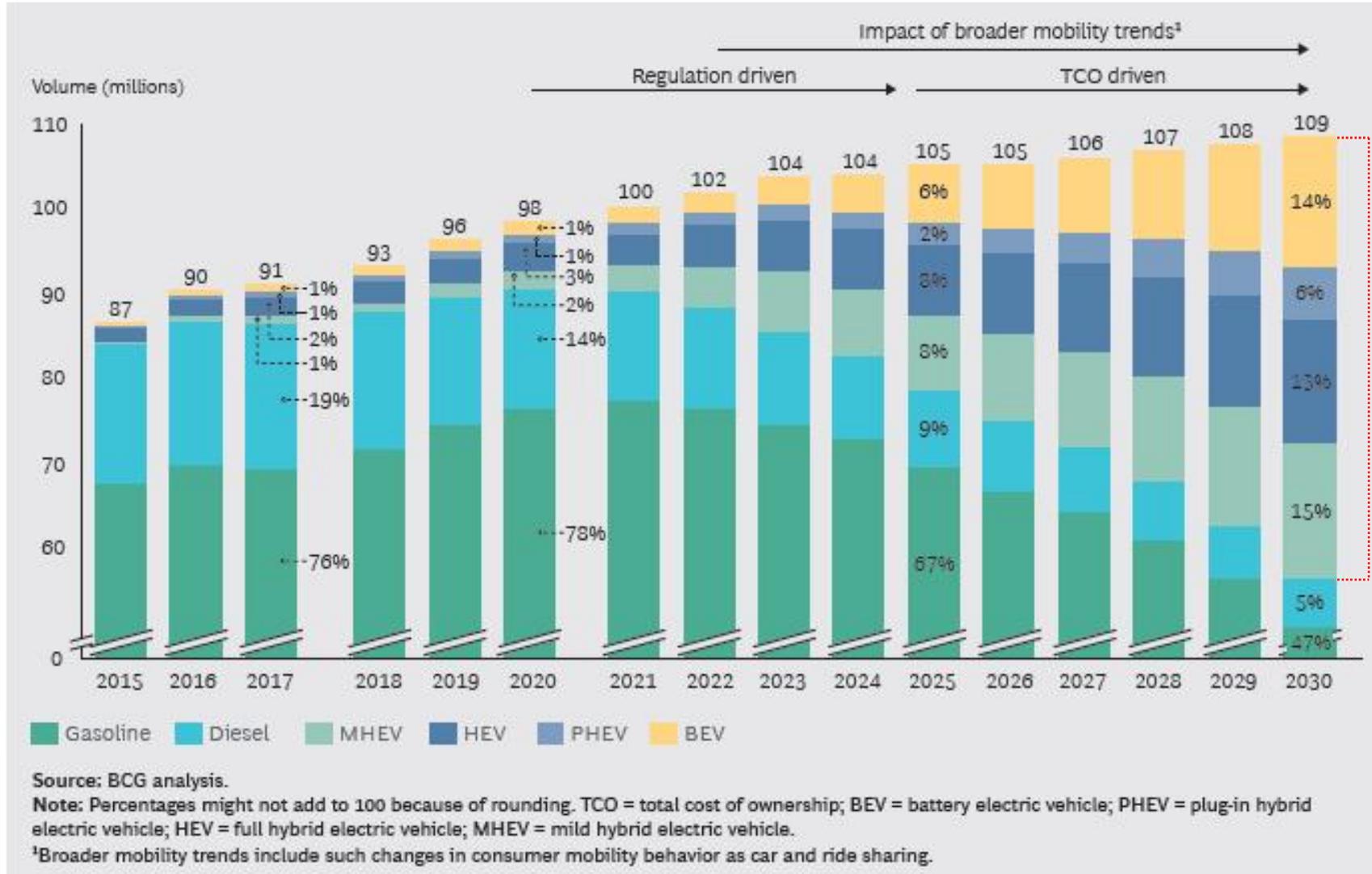
It turns the shaft to deliver the mechanical power

The rotation is due to the interaction between the windings and the magnetic fields that produces a torque around the rotor's axis and generates the forces that turn the shaft





Electric vehicle sales expected to reach approx. 50 million units per year by 2030, with more than one electric motor per vehicle



**Electric Vehicles**



**7% of global car sales in 2020**



**24% of global car sales in 2025**



**48% of global car sales in 2030**

## Confectionary sector

Confectionary packaging solutions for medium and high speed lines for many types of packaging: wallets, sleeves, flip top cartons, push boxes, plastic bottles, tin boxes



## TMC's reference end-markets

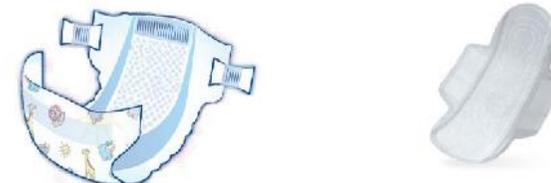
### Tissue



- There are five main types of tissue papers: rolls, facial tissues, paper towels, paper napkins and specialty and wrapping tissues
- Tissue industry is broadly classified into two categories:
  - › Consumer tissue, relates to tissues that are used for domestic purposes
  - › Away from Home (AfH), consists of tissues used for commercial and industrial purposes such as hotels, restaurants, hospitals and institutions

**TMC is an international leading supplier of packaging machines for rolls and facial tissues ...**

### Nonwoven



- Nonwoven fabric is a fabric-like material made from staple fiber and long fibers, bonded together by chemical, mechanical, heat or solvent treatment
- Nonwoven materials are used in numerous applications, but mainly in personal care and medical
- Personal care includes baby diapers, feminine hygiene pads and tampons, and adult incontinence products

**... and also offers secondary packaging solutions for the personal care segment (i.e. baby and adult diapers, feminine care products)**

The main competitors are:

- Rolls: Casmatic, Paper Converting, Edson, Infinity, Stax Technologies
- Facial tissue: R.A Jones, Casmatic, Mpac
- Personal care: Optima, GDM, Focke, Orion, Gevas



IMA Tobacco & Technology: innovative packaging lines for the tobacco market

Since October 2017, Gima TT was listed on the STAR segment of the MTA of Borsa Italiana and it has been merged in IMA in November 2019.

Thanks to the long experience in tobacco market of its employees and to IMA Group's expertise in different packaging industries, IMA T&T is able to deliver high quality machines and assure support in the creation of innovative projects.

Conventional tobacco products

The right answer for readiness and flexibility demand in the production of cigarette packets

NGP

Not only conventional products: IMA T&T machines can be combined and especially designed to realize special innovative projects like Next Generation Products ones



## IMA Tobacco & Technology: innovative packaging lines for the tobacco market

Changing longstanding industry paradigms: from "PERFORMANCE ONLY" to "FLEXIBILITY" ...  
... setting new industry benchmarks in terms of fast complete changeover and extended format range

### Machines for NGPs and conventional tobacco products

Flex A



Hinge lid cigarette packer machine (packets range: from 5 to 50 cigarettes)

Flex-B



Section to be added to Flex-A in case of special cigarette packets

Flex ST



Stamper machine able to apply the governmental stamp in any packet position or orientation

Flex WF



Wrapping machines designed to wrap with polypropylene the cigarette packets

Flex CO



End-of-line cartoner overlapping display cartons with sealable materials

### Machines for NGPs only (leveraging on know-how inherited from IMA's pharma expertise)

Assembly lines



Assembly lines for e-cigarettes or components of e-cigarettes

Process machines for liquid or powder



Mixing, granulating, feeding and storing powder

Filling machines for **Liquid and Powder**



Liquid and powder fillers with labeling/capping units

Primary packaging



Blister packaging or product flow packing

Secondary packing



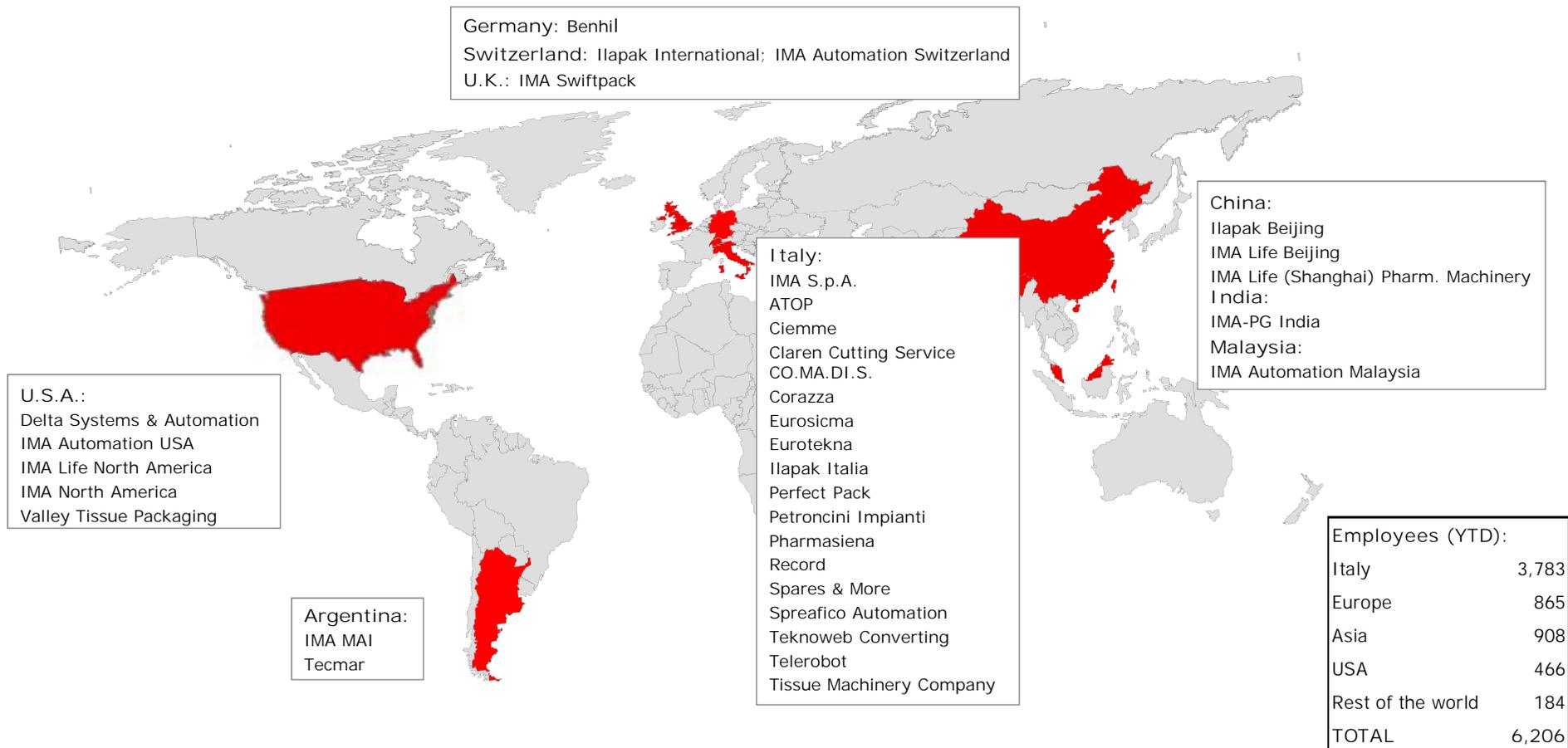
**Packing cartons** starting from pre-glued blanks or from flat-blanks



Broad range of after-sales services: change parts, technical assistance (including secure remote connection), improvement kits, spare parts, engineering services, training activities and workshops

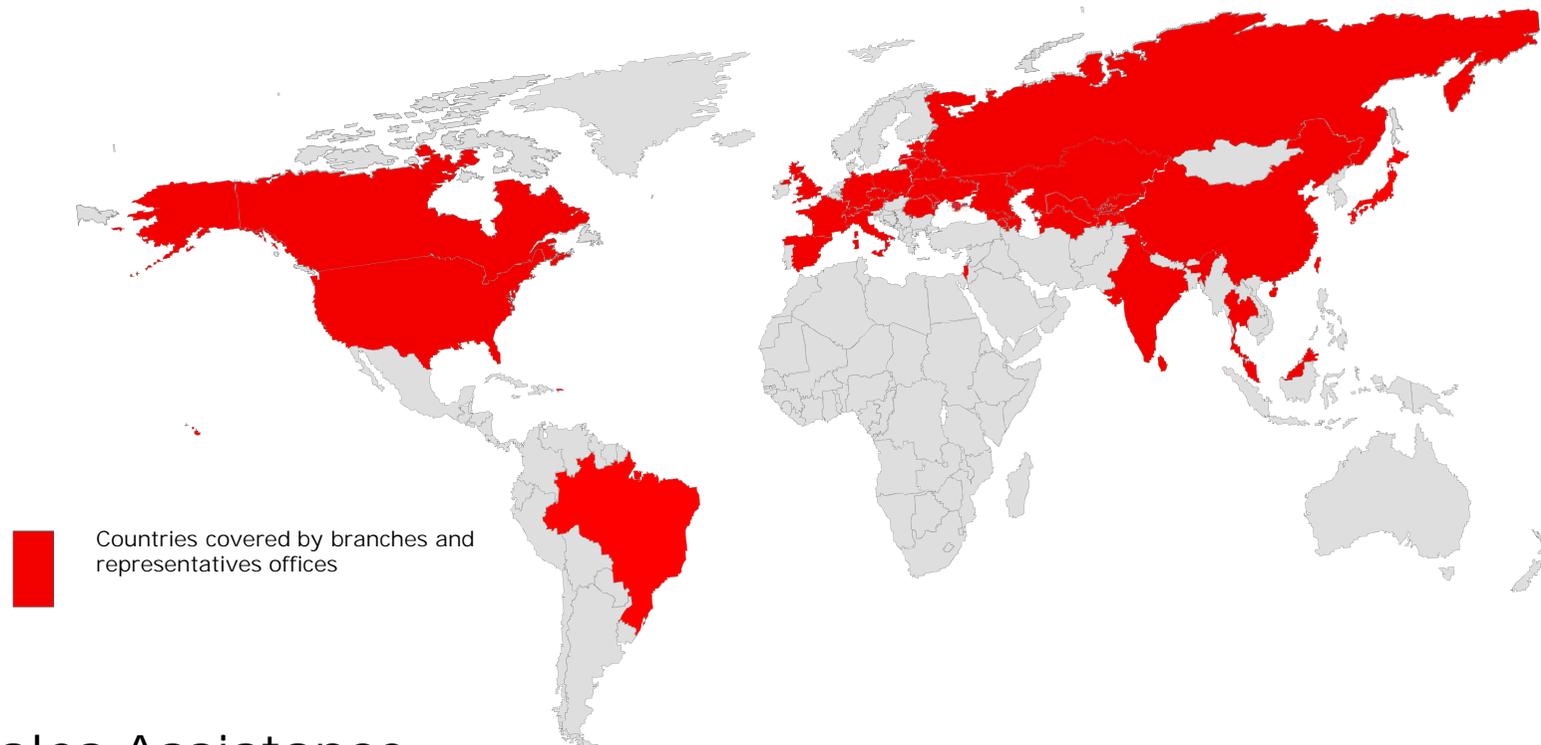
## Production Plants

IMA manufactures equipment in 45 production plants located in Italy, Germany, Switzerland, UK, USA, India, Malaysia, China, Argentina.



## Sales Representatives

Presence in about 80 countries with headquarters in Italy, branches in Europe, Middle East, North America, South America, Asia and representative offices in Central and East Europe and more than 50 local agents.

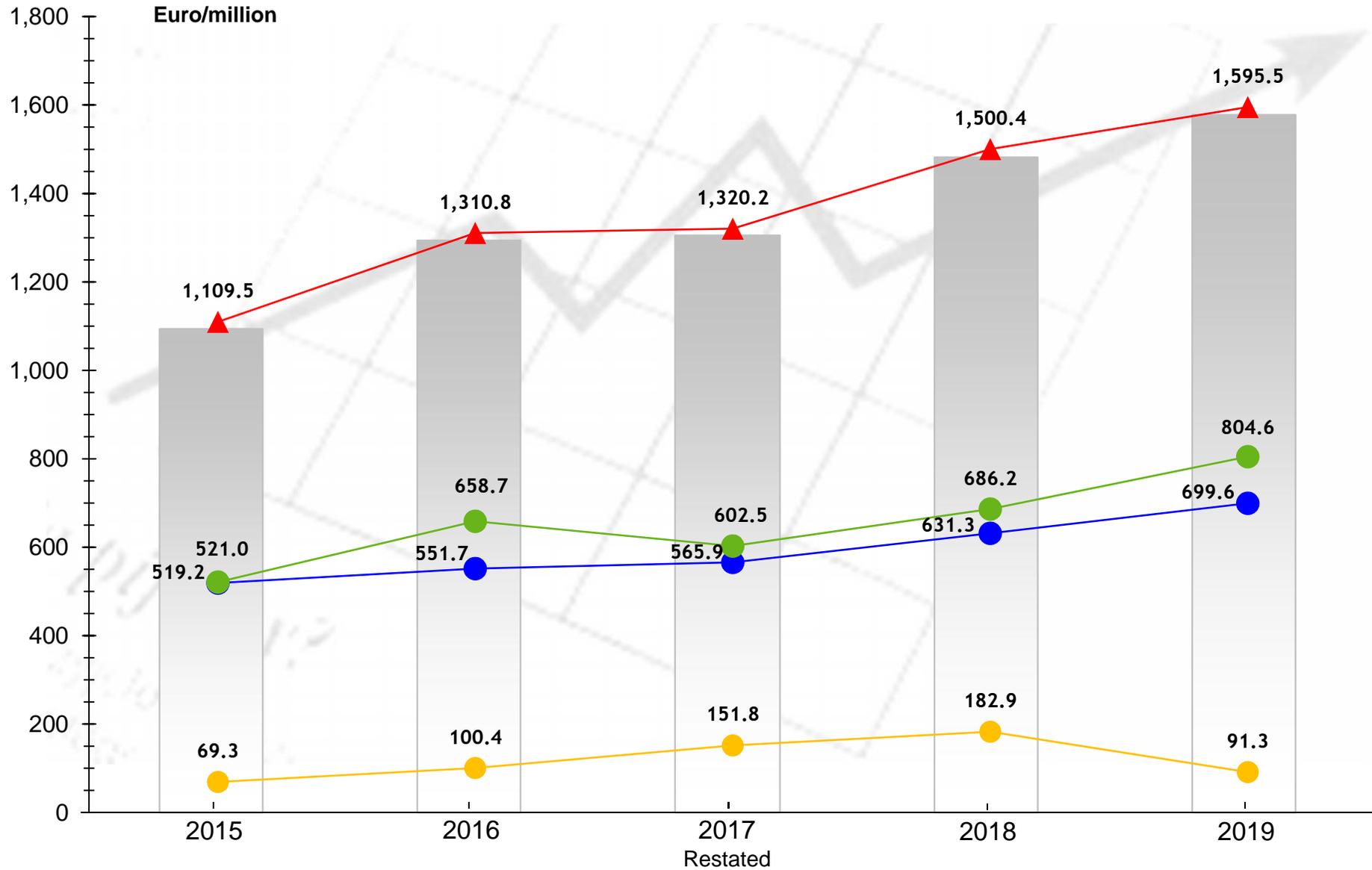


## After Sales Assistance

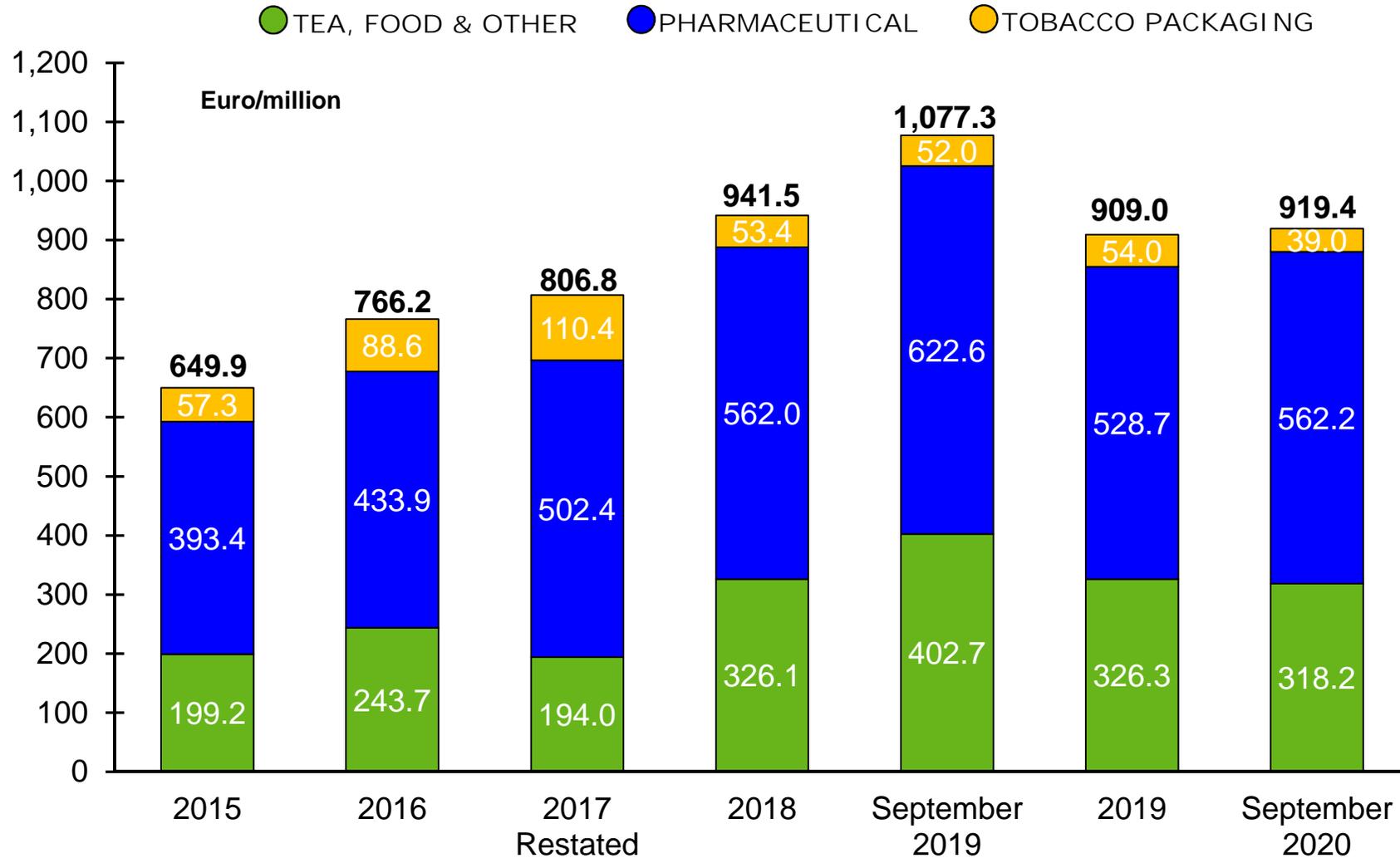
IMA provides world-wide technical assistance through its headquarters in Italy, branch and local agents.

# Trend of the sales

● TEA, FOOD & OTHER   ● PHARMACEUTICAL   ● TOBACCO PACKAGING   ▲ TOTAL

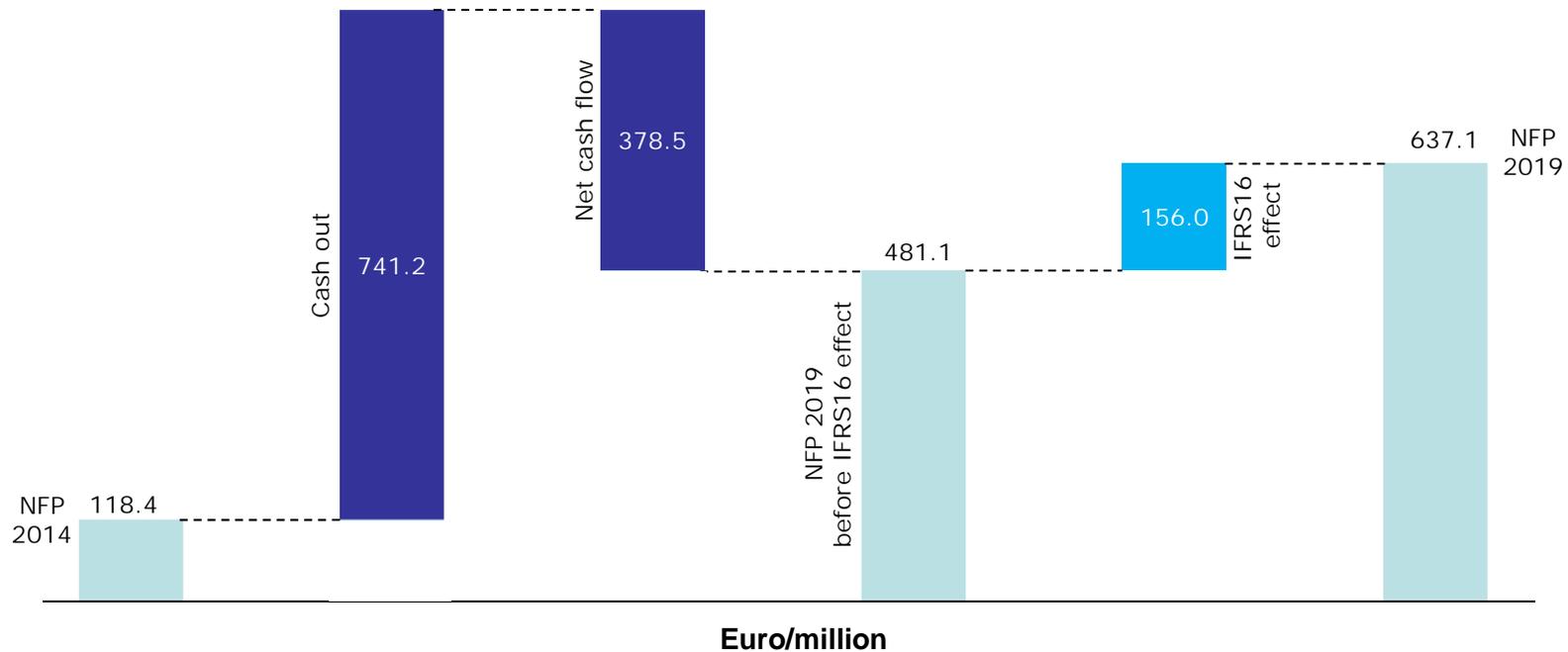


- The backlog at 30 September 2020 is 14.7% lower than 30 September 2019



# Dividends and extra ordinary financial effects

2014	Net Financial Position	(118.4)	
	Dividends	(360.6)	} Net cash out 2015-2019 (741.2)
	Capital Increase	118.8	
	Acquisitions	(651.4)	
	Disposals	55.1	
	Merger/Delisting GIMA TT	96.9	
	Cumulated Cash Flow	378.5	→ 2015-2019
	IFRS16 effect	(156.0)	
2019	Net Financial Position	(637.1)	



# 3<sup>rd</sup> QUARTER 2020 RESULTS

Euro/Million	Tea, Food & Other		Pharmaceutical		Tobacco packaging		Not allocated		Total	
	30.09.20	30.09.19	30.09.20	30.09.19	30.09.20	30.09.19	30.09.20	30.09.19	30.09.20	30.09.19
<b>Revenue</b>	480.3	441.1	474.3	512.9	61.2	54.3			<b>1,015.8</b>	<b>1,008.3</b>
<b>EBITDA before non-recurring items</b>	52.7	43.2	78.3	74.0	15.6	16.0			<b>146.6</b>	<b>133.2</b>
<i>% on sales</i>	11.0%	9.8%	16.5%	14.4%	25.5%	29.5%			14.4%	13.2%
<b>Ebit</b>	4.4	6.5	56.9	55.7	13.9	9.7			<b>75.2</b>	<b>71.9</b>
<i>% on sales</i>	0.9%	1.5%	12.0%	10.9%	22.7%	17.9%			7.4%	7.1%
<b>Net invested capital (*)</b>	923.7	880.5	312.5	287.8	45.0	33.1	-43.7	-11.5	<b>1,237.5</b>	<b>1,189.9</b>
<b>Backlog</b>	318.2	402.7	562.2	622.6	39.0	52.0			<b>919.4</b>	<b>1,077.3</b>
<i>% change vs 2019</i>	-21.0%		-9.7%		-25.0%				-14.7%	
<b>Orders</b>	495.4	505.2	481.1	542.6	46.3	52.8			<b>1,022.8</b>	<b>1,100.6</b>
<i>% change vs 2019</i>	-1.9%		-11.3%		-12.3%				-7.1%	

(\*) Not allocated assets and liabilities mainly relate to investments, income tax receivables and payables and net deferred tax liabilities not directly attributable to the operating sectors.

30.09.2020 vs. 30.09.2019

IMA	3rd Quarter 2020	%	3rd Quarter 2019	%
Euro/million				
Revenue	1,015.8	100.0%	1,008.3	100.0%
Cost of sales	(651.6)	-64.1%	(655.9)	-65.1%
Industrial gross profit	364.2	35.9%	352.4	34.9%
R&D costs	(45.3)	-4.5%	(40.5)	-4.0%
Commercial and sales costs	(99.0)	-9.7%	(102.5)	-10.2%
General and administrative costs	(142.7)	-14.0%	(130.5)	-12.9%
Operating profit (EBIT) before non-recurring items	77.2	7.6%	78.9	7.8%
Non-recurring items	(2.0)	-0.2%	(7.0)	-0.7%
Operating profit (EBIT)	75.2	7.4%	71.9	7.1%
Net financial income (expense)	(19.2)	-1.9%	43.6	4.3%
Profit (loss) from investments accounted for using the equity method	3.8	0.4%	3.1	0.3%
Taxes	(19.4)	-1.9%	(27.9)	-2.8%
Profit for the period	40.4	4.0%	90.7	9.0%
Profit attributable to non-controlling interests	1.6	0.2%	(2.7)	-0.3%
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	42.0	4.1%	88.0	8.7%
EBITDA BEFORE NON-RECURRING ITEMS	146.6	14.4%	133.2	13.2%
EBITDA	144.6	14.2%	126.2	12.5%

30.09.2020 vs. 30.09.2019

IMA	30.09.2020	%	30.09.2019	%	31.12.2019	%
Euro/Million						
Trade receivables	415.7		394.9		419.6	
Inventories	411.1		402.1		344.2	
Trade payables	(479.2)		(498.6)		(520.5)	
Other, net	(135.8)		(98.6)		(100.3)	
Net working capital	211.8	17.1%	199.8	16.8%	143.0	12.5%
Property, plant and equipment	319.4		305.6		313.0	
Intangible assets	861.5		837.8		874.8	
Investments	36.3		40.1		32.9	
Non-current assets	1,217.2	98.4%	1,183.5	99.5%	1,220.7	106.9%
Severance obligations and other provisions	(191.5)		(193.4)		(221.7)	
Net invested capital	1,237.5	100.0%	1,189.9	100.0%	1,142.0	100.0%
Net debt	700.9	56.6%	769.3	64.7%	637.1	55.8%
Non-controlling interests	9.6		14.6		11.4	
Group equity attributable to equity holders of the parent	527.0	42.6%	406.0	34.1%	493.5	43.2%
Total sources of financing	1,237.5	100.0%	1,189.9	100.0%	1,142.0	100.0%

# Appendix

# 2019 RESULTS

31.12.2019 vs. 31.12.2018

IMA	2019	%	2018	%	change %
Euro/million					
Revenue	1,595.5	100.0%	1,500.4	100.0%	6.3%
Cost of sales	(1,014.3)	-63.6%	(928.3)	-61.9%	9.3%
Industrial gross profit	581.2	36.4%	572.1	38.1%	1.6%
R&D costs	(53.9)	-3.4%	(55.3)	-3.7%	-2.5%
Commercial and sales costs	(143.5)	-9.0%	(136.7)	-9.1%	5.0%
General and administrative costs	(183.7)	-11.5%	(163.6)	-10.9%	12.3%
Operating profit (EBIT) before non-recurring items	200.1	12.5%	216.5	14.4%	-7.6%
Non-recurring items	(7.6)	-0.5%	(6.4)	-0.4%	18.8%
Operating profit (EBIT)	192.5	12.1%	210.1	14.0%	-8.4%
Net financial income (expense)	36.6	2.3%	(0.5)	0.0%	n.s.
Profit (loss) from investments accounted for using the equity method	(4.7)	-0.3%	2.4	0.2%	n.s.
Taxes	(54.8)	-3.4%	(61.2)	-4.1%	-10.5%
Net profit from continuing operations	169.6	10.6%	150.8	10.1%	12.5%
Profit (loss) from discontinued operations/disposal groups	–	0.0%	(26.2)	-1.7%	-100.0%
Profit (loss) attributable to non-controlling interests	(0.4)	0.0%	(20.6)	-1.4%	-98.1%
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	169.2	10.6%	104.0	6.9%	62.7%
EBITDA BEFORE NON-RECURRING ITEMS	281.0	17.6%	260.0	17.3%	8.1%
EBITDA	273.4	17.1%	253.6	16.9%	7.8%

31.12.2019 vs. 31.12.2018

IMA	2019	%	2018	%
Euro/Million				
Trade receivables	419.6		384.0	
Inventories	344.2		319.7	
Trade payables	(520.5)		(514.7)	
Other, net	(100.3)		(90.0)	
Net working capital	143.0	12.5%	99.0	16.4%
Property, plant and equipment	313.0		111.9	
Intangible assets	874.8		454.0	
Investments	32.9		57.8	
Non-current assets	1,220.7	106.9%	623.7	103.0%
Severance obligations and other provisions	(221.7)		(117.2)	
Net invested capital	1,142.0	100.0%	605.5	100.0%
Net debt	637.1	55.8%	184.6	30.5%
Non-controlling interests	11.4		23.9	
Group equity attributable to equity holders of the parent	493.5	43.2%	397.0	65.6%
Total sources of financing	1,142.0	100.0%	605.5	100.0%

31.12.2019 vs. 31.12.2018

IMA	2019	%	2018	%
Euro/Million		on sales		on sales
Trade receivables	419.6	26.3%	384.0	25.6%
Inventories	344.2	21.6%	319.7	21.3%
Trade payables	(384.6)	(24.1%)	(340.8)	(22.7%)
Advances from customers	(135.9)	(8.5%)	(173.9)	(11.6%)
<b>N.O.W.C.</b>	<b>243.3</b>	<b>15.2%</b>	<b>189.0</b>	<b>12.6%</b>

31.12.2019 vs. 31.12.2018

IMA - CASH FLOW	2019	2018
Euro/Million		
EBIT	192.5	210.1
Depreciation and amortization	59.9	43.6
Capital expenditure	(57.4)	(57.8)
Change in working capital	(33.8)	(65.4)
Change in other assets/liabilities	3.6	(13.9)
Operating cash flow	164.8	116.6
Net financial charges	(17.3)	(12.9)
Income taxes	(54.8)	(61.2)
Cash flow from operations	92.7	42.5
Acquisitions	(272.0)	(123.5)
Disposals	3.7	13.2
Cash flow from extraordinary operations	(268.3)	(110.3)
Dividends	(93.9)	(83.9)
Other changes in net equity	–	(1.8)
Purchase of treasury shares	–	(8.5)
IFRS 16 effect	(156.0)	–
Change in scope of consolidation	(27.0)	27.5
Change in net financial position	(452.5)	(134.5)
Opening net financial position	184.6	50.1
Closing net financial position	637.1	184.6

Euro/Million	Tea, Food & Other		Pharmaceutical		Tobacco packaging		Not allocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenue</b>	804.6	686.2	699.6	631.3	91.3	182.9			<b>1,595.5</b>	<b>1,500.4</b>
<b>EBITDA before non-recurring items</b>	123.8	75.6	126.0	111.4	31.2	73.0			<b>281.0</b>	<b>260.0</b>
<i>% on sales</i>	15.4%	11.0%	18.0%	17.6%	34.2%	39.9%			17.6%	17.3%
<b>Ebit</b>	65.4	38.9	102.7	99.0	24.4	72.2			<b>192.5</b>	<b>210.1</b>
<i>% on sales</i>	8.1%	5.7%	14.7%	15.7%	26.7%	39.5%			12.1%	14.0%
<b>Net invested capital (*)</b>	919.3	446.1	228.9	116.5	31.0	40.0	-37.2	2.9	<b>1,142.0</b>	<b>605.5</b>
<b>Backlog</b>	326.3	326.1	528.7	562.0	54.0	53.4			<b>909.0</b>	<b>941.5</b>
<i>% change vs 2018</i>	0.1%		-5.9%		1.1%				-3.5%	
<b>Orders</b>	765.0	776.5	662.7	690.9	91.9	126.0			<b>1,519.6</b>	<b>1,593.4</b>
<i>% change vs 2018</i>	-1.5%		-4.1%		-27.1%				-4.6%	

(\*) Not allocated assets and liabilities mainly relate to investments, income tax receivables and payables and net deferred tax liabilities not directly attributable to the operating sectors.

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