

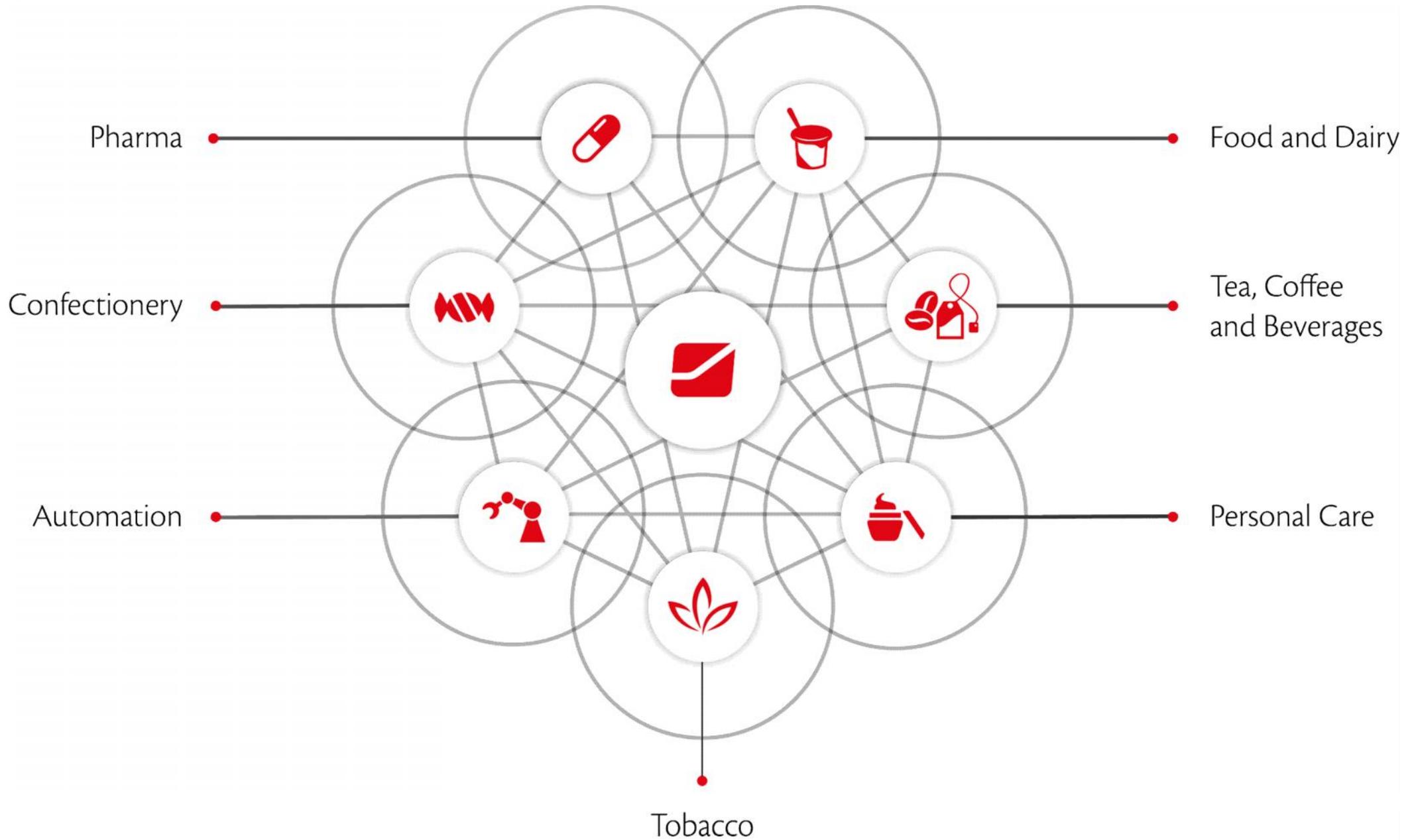
# Company results

Innovative Automatic Machine  
System Solutions

3<sup>rd</sup> QUARTER 2017 RESULTS

INVESTOR RELATIONS

14 November 2017



- 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
- About 5,400 employees, about 2,800 of whom based abroad (YTD)
- In 2016 € 1,310.8 millions worldwide sales, of which more than 86% outside Italy
- World-wide sales and service network
- More than 1,600 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

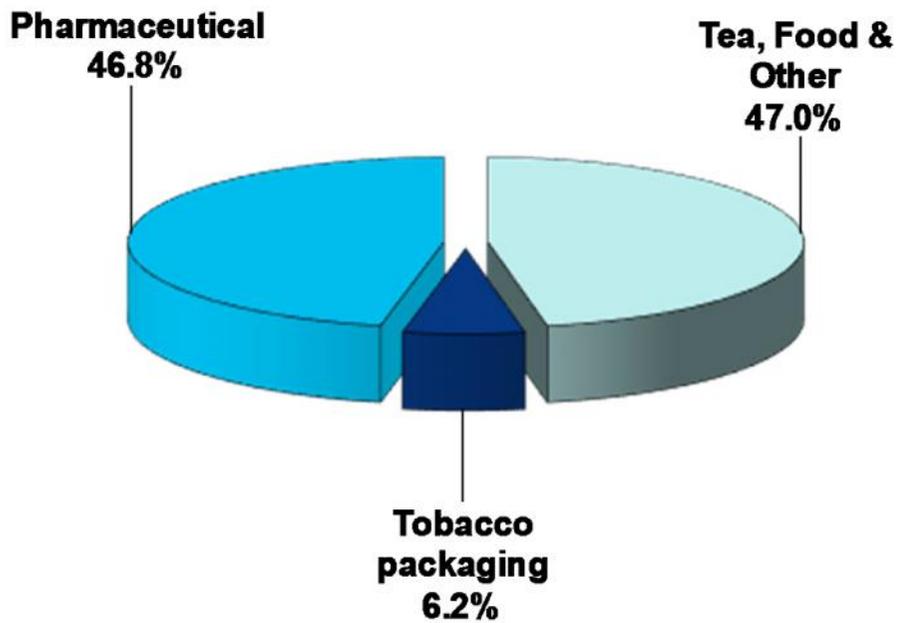
- Cutting-edge R&D laboratories
- Continuous product innovation
- A winning business model
- High customer loyalty
- Excellent positioning thanks to an extensive customer service network and a full product range to offer
- High barriers to market entry

## 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

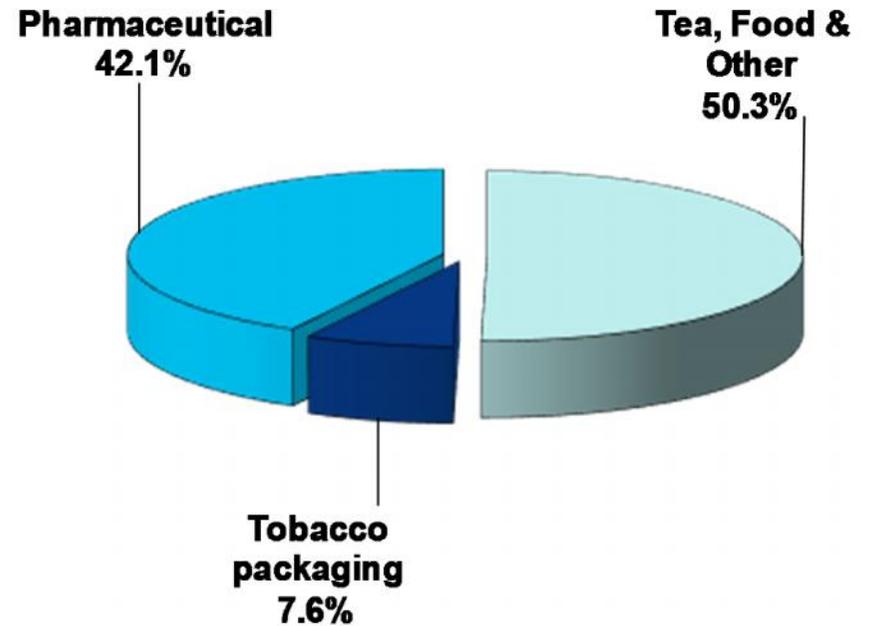
2015

Total sales: € 1,109.5 million



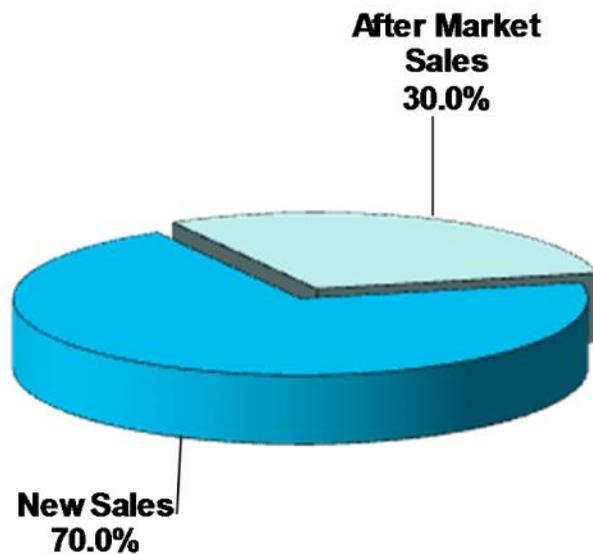
2016

Total sales: € 1,310.8 million

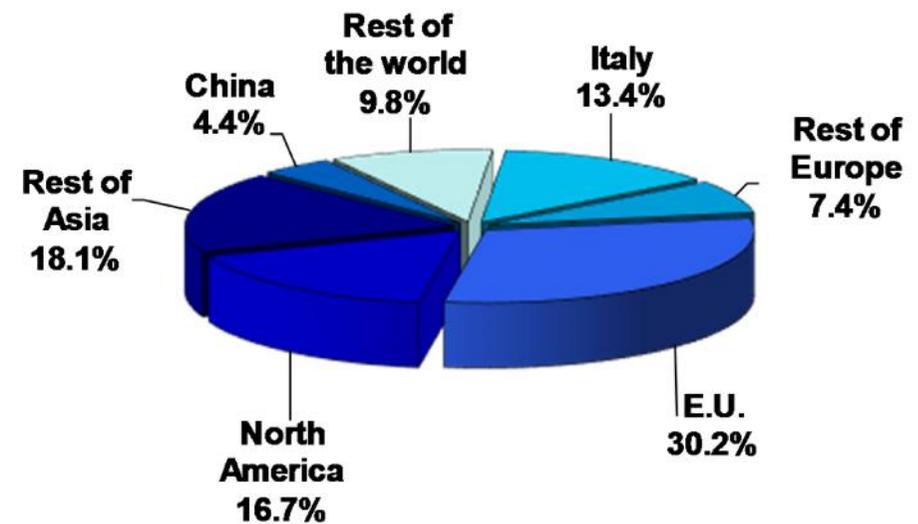


- Significant share of the Group's earnings generated by after-sale services, spare parts and equipment, which are higher-margin and recurring in nature (30% of overall revenue)
- Geographically well diversified revenue sources

Revenue by Nature  
2016



Revenue by Geography  
2016





## 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
- Strong 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 processing and packaging systems



## 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.



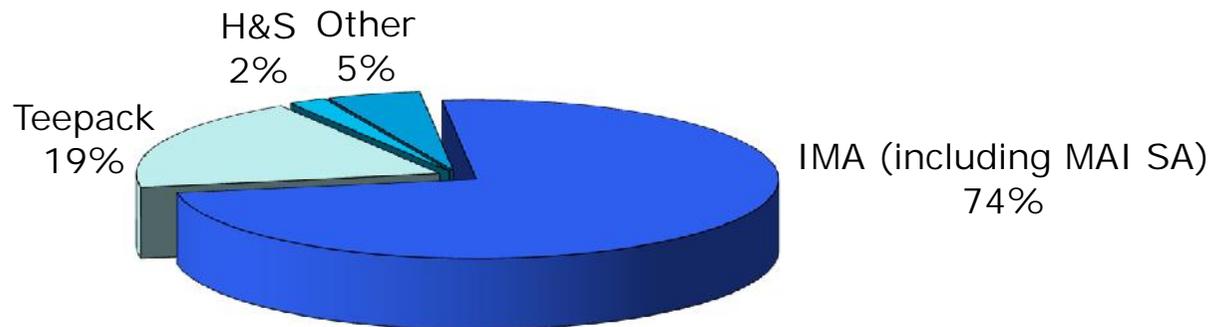
IMA Safe - Packaging Solutions  
Complete primary and secondary packaging lines to the pharmaceutical and extra-pharma industries.





## 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



## 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.

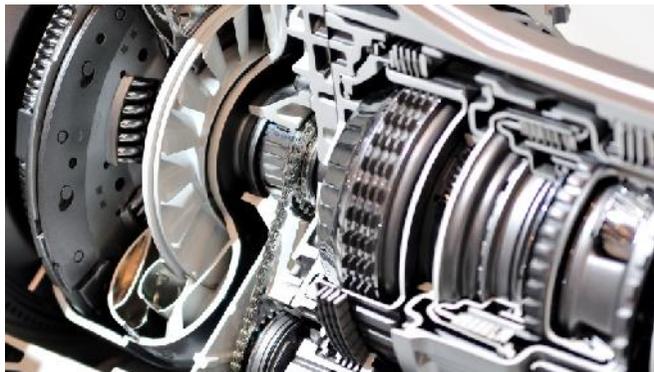


## Medical devices & vision care

- 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



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



Dairy and Convenience Food sector

Company's customer industry segments

## Dairy



### Description

- Milk-based food products

### Application examples

- Yoghurt
- Cream
- Butter
- Cheese

### Active subsidiaries

- Erca
- Hassia
- Hamba / Gasti
- Benhil

## Food



- Food products (non milk-based)

- Cereals
- Sauces
- Fruit salads
- Jellies and jams
- Confectionary / snacks
- Convenience food
- Margarine / spreads
- Soup paste

- Hassia
- Hassia India
- Hamba / Gasti
- Benhil

## Other (Beverage, Non-Food)



- Beverages (alcoholic and non-alcoholic), etc.

- Milk
- Juices
- Water
- Coffee

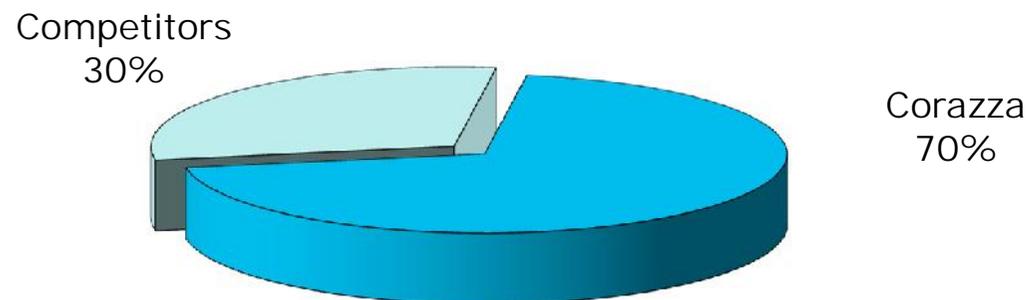
- Hassia
- Hamba / Gasti



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

## Ilapak group

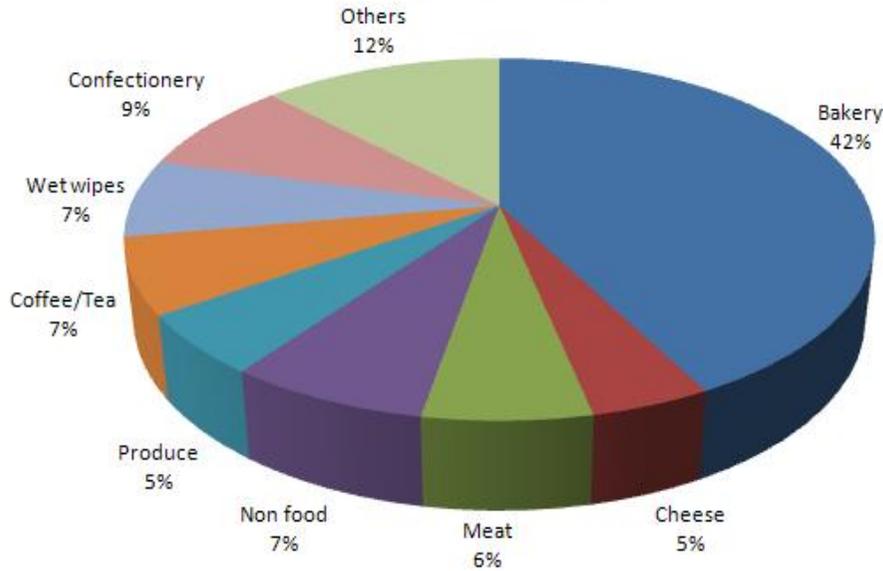
Long experience operating in food and non food flexible packaging solutions

- Wide Horizontal and Vertical Form Fill Seal product range covering the different segment of the market from complete packaging lines to entry level machines
- ILAPAK has a 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 are: ULMA, PFM, Bosch

Ilapak group



Sales by Industry





GIMA TT: tobacco technology

In 2013, it became an independent company.

Thanks to the long experience in tobacco market of its employees and to IMA Group's expertise in different packaging industries, Gima TT is able to deliver high quality machines and assure support in the creation of innovative projects.

Conventional tobacco products

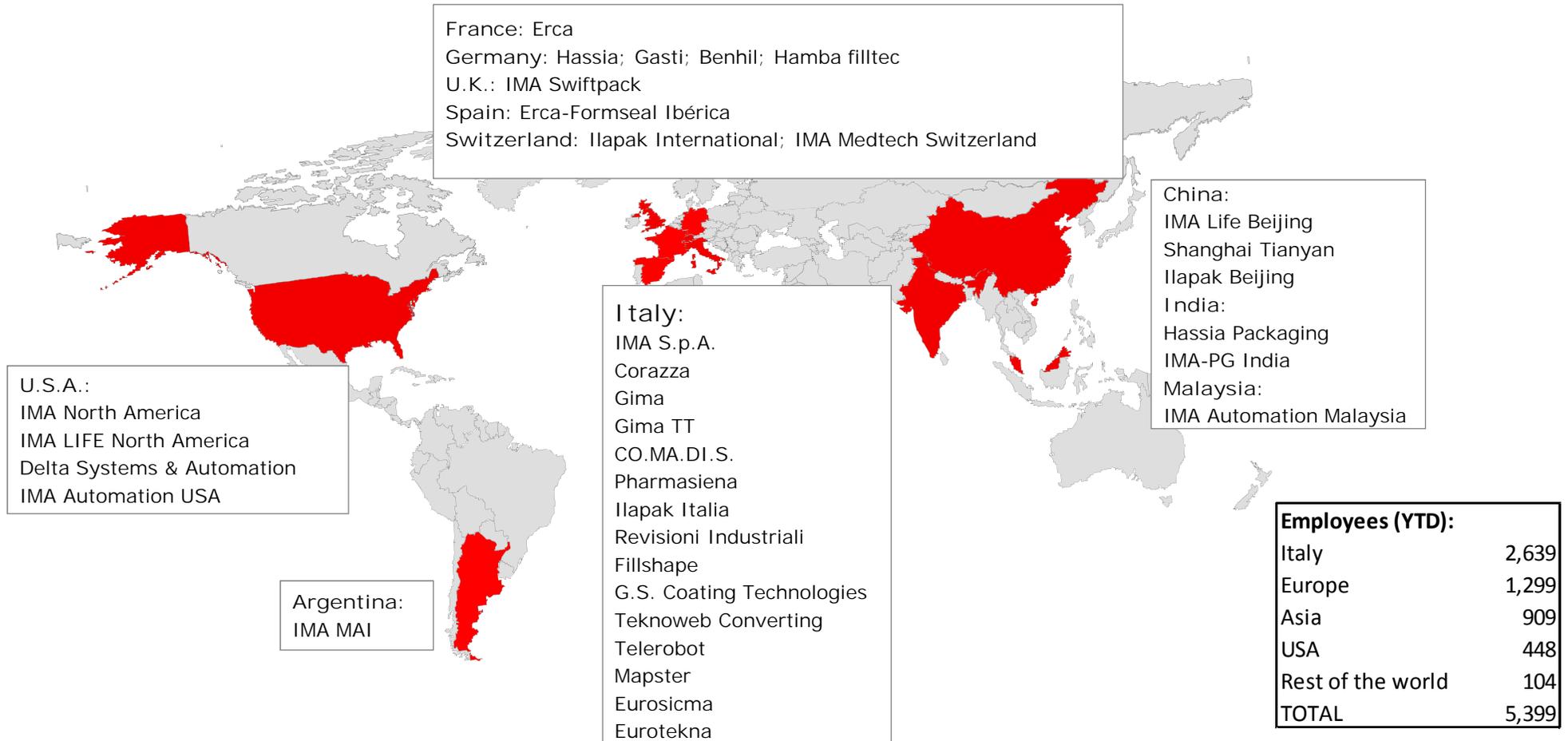
The right answer for readiness and flexibility demand in the production of cigarette packets

NGP

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

## Production Plants

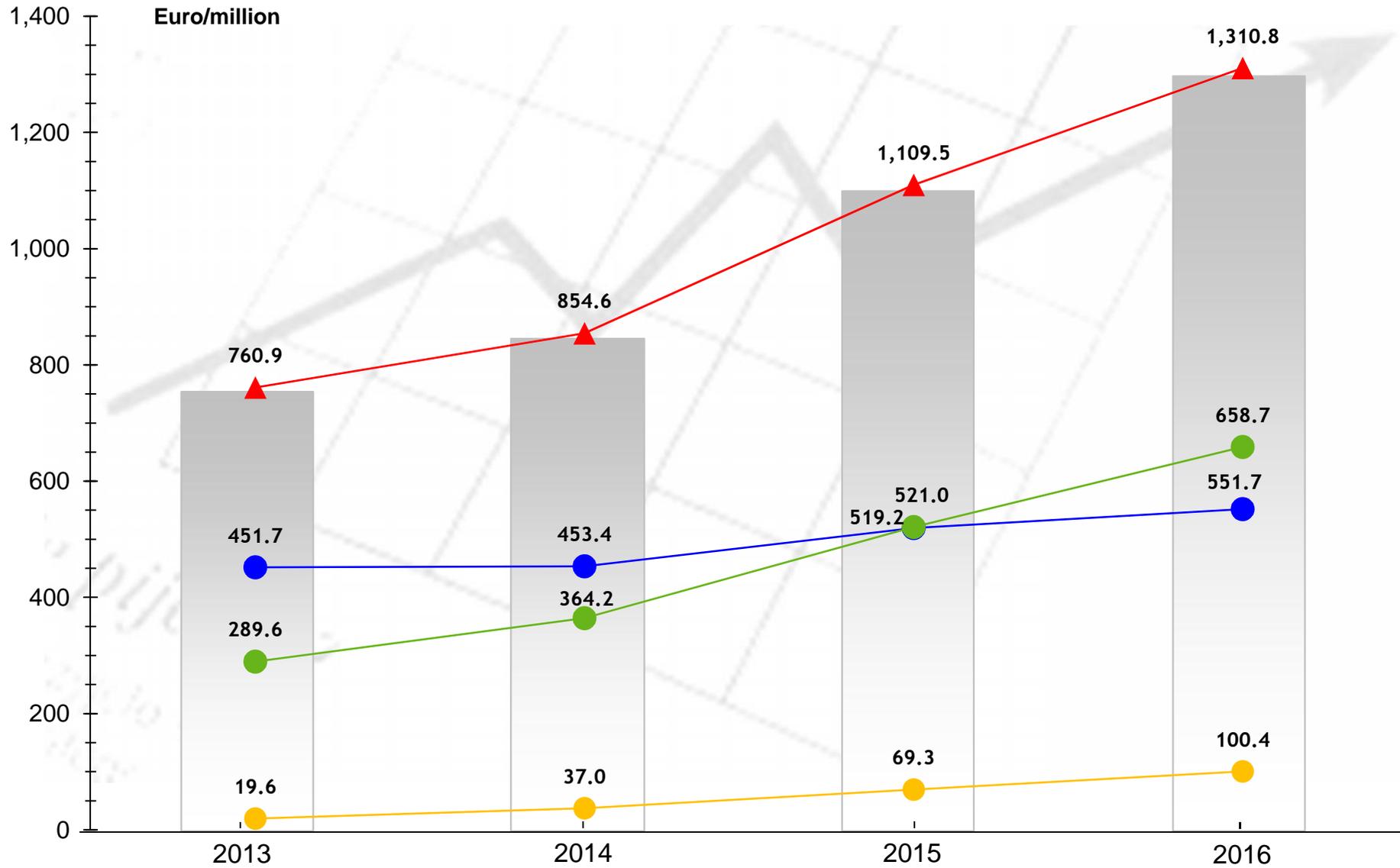
IMA manufactures equipment in 41 production plants located in Italy, Germany, France, Switzerland, Spain, UK, USA, India, Malaysia, China, Argentina.



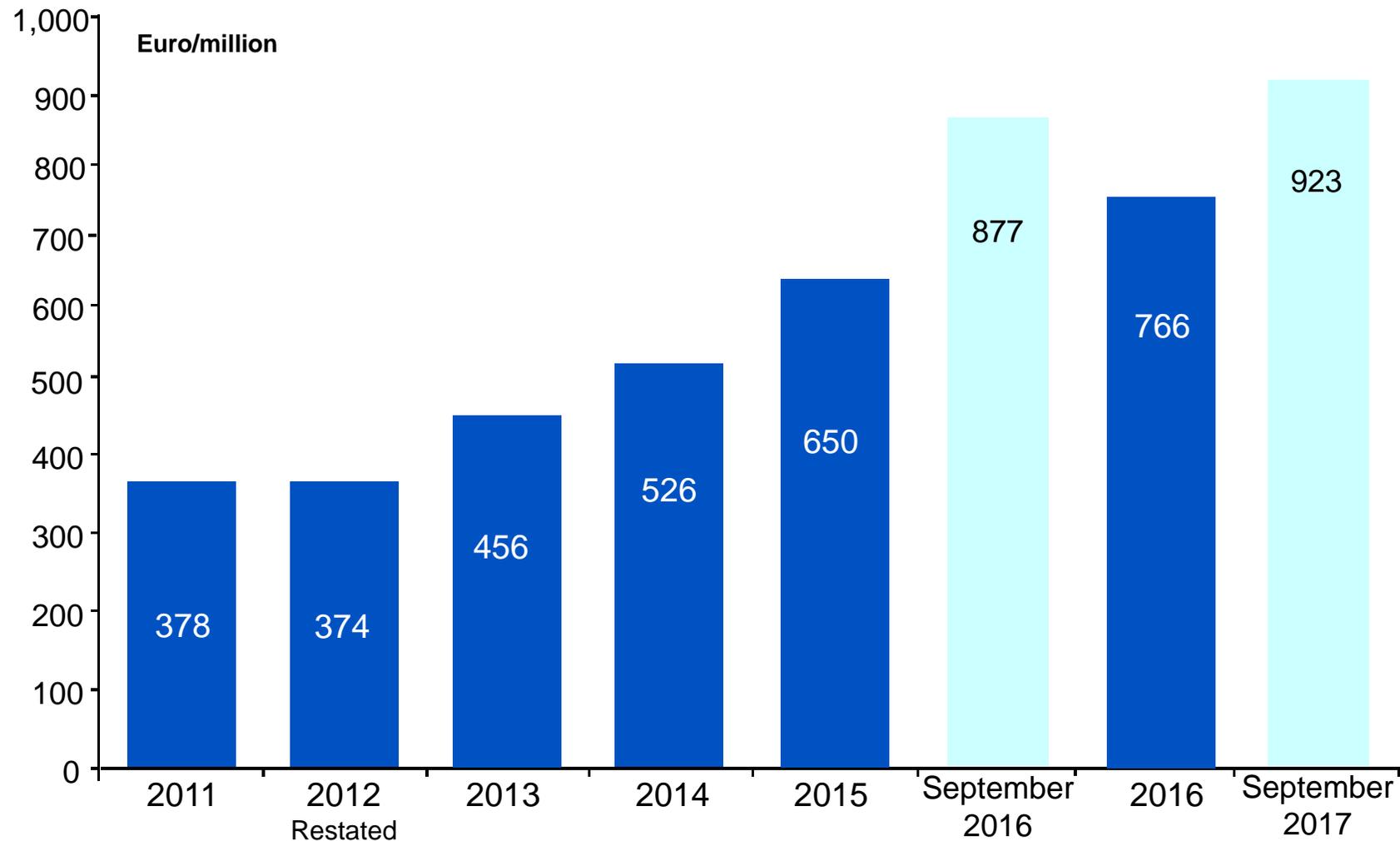


# Trend of the sales

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

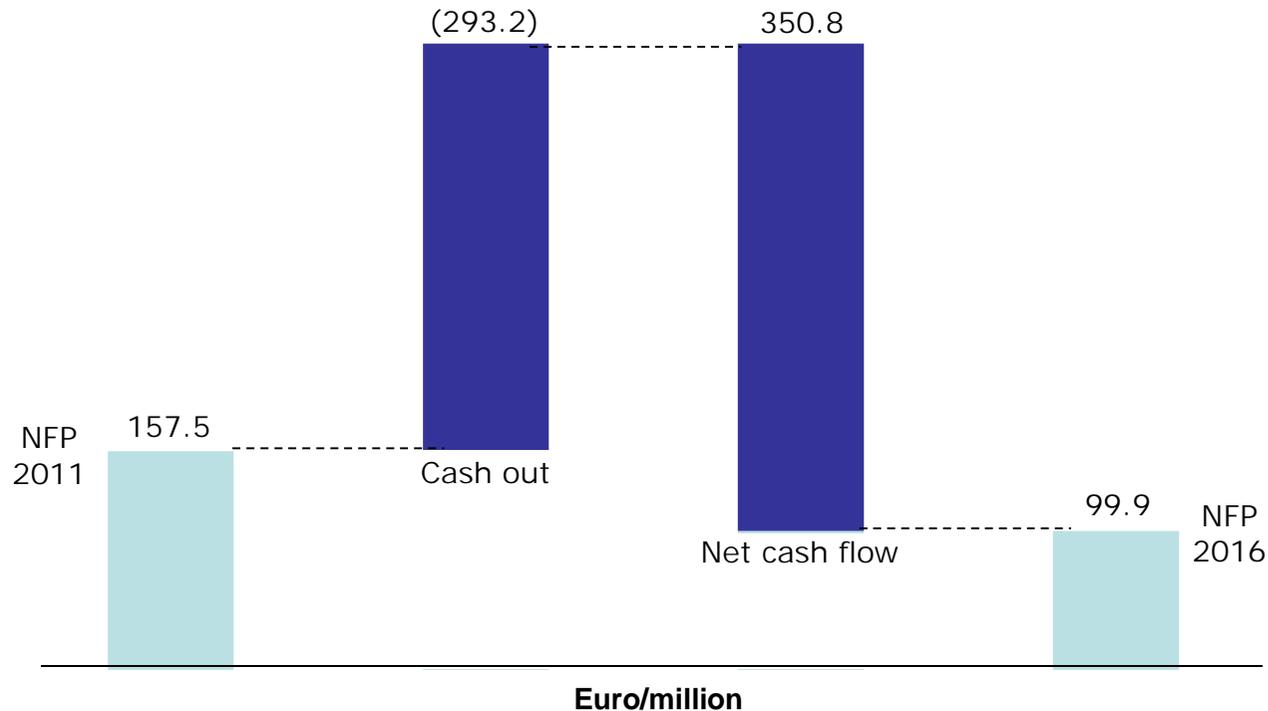


- Strong trend of order acquisition is continuing also in 2017 in all sectors with a considerable number of negotiations currently underway
- The backlog at 30 September 2017 is 5.3% higher than 30 September 2016



# Dividends and extra ordinary financial effects

2011	Net Financial Position	(157.5)		
	Dividends	(280.3)	}	Net cash out 2012-2016 (293.2)
	Capital Increase	118.8		
	Acquisitions	(216.8)		
	Disposals	85.1		
	Cumulated Cash Flow	350.8	→	2012-2016
2016	Net Financial Position	(99.9)		



### Eurosicma

The 25<sup>th</sup> of July, IMA completed the acquisition of 60% of share capital of Eurosicma S.p.A. based in Segrate (Milan), which produces and markets automatic machines and systems for horizontal flowpack and fold packaging for the food, cosmetic and pharmaceutical industries.

The financial contribution was 26 million euros, entirely paid at the closing.

For the remaining 40% of the shares, IMA signed a put and call option, to be exercised in April 2027.

EUROSICMA has a positive net financial position of approximately 7 million euros and for 2017 expects sales of around 27 million euros and an EBITDA of 4.5 million euros, with about 100 employees.

These acquisition represent a significant strengthening of range of machinery for flowpack and fold packaging.

# 3<sup>rd</sup> QUARTER 2017 RESULTS

<i>Euro/Million</i>	<b>Tea, Food &amp; Other</b>		<b>Pharmaceutical</b>		<b>Tobacco packaging</b>		<b>Not allocated</b>		<b>Total</b>	
	<b>30.09.17</b>	<b>30.09.16</b>	<b>30.09.17</b>	<b>30.09.16</b>	<b>30.09.17</b>	<b>30.09.16</b>	<b>30.09.17</b>	<b>30.09.16</b>	<b>30.09.17</b>	<b>30.09.16</b>
<b>Revenue</b>	439.4	407.5	406.9	406.2	107.3	61.5			<b>953.6</b>	<b>875.2</b>
<b>EBITDA before non-recurring items</b>	7.2	15.5	72.4	64.6	45.8	23.5			<b>125.4</b>	<b>103.6</b>
<i>% on sales</i>	1.6%	3.8%	17.8%	15.9%	42.7%	38.2%			13.2%	11.8%
<b>Ebit</b>	(22.4)	(8.0)	64.3	56.8	45.4	23.0			<b>87.3</b>	<b>71.8</b>
<i>% on sales</i>	(5.1%)	(2.0%)	15.8%	14.0%	42.3%	37.4%			9.2%	8.2%
<b>Net invested capital (*)</b>	374.3	282.6	143.4	170.9	14.2	0.2	1.5	4.9	<b>533.4</b>	<b>458.6</b>
<b>Backlog</b>	342.3	359.9	488.9	424.0	92.1	93.2			<b>923.3</b>	<b>877.1</b>
<i>% change vs 2016</i>	(4.9%)		15.3%		(12%)				5.3%	
<b>Orders</b>	533.8	500.2	461.8	436.7	110.8	97.4			<b>1,106.4</b>	<b>1,034.3</b>
<i>% change vs 2016</i>	6.7%		5.7%		13.8%				7.0%	

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

30.09.2017 vs. 30.09.2016

IMA	3rd Quarter 2017	%	3rd Quarter 2016	%
Euro/million				
Revenue	953.60	100.0%	875.20	100.0%
Cost of sales	(593.40)	-62.2%	(556.00)	-63.5%
Industrial gross profit	360.20	37.8%	319.20	36.5%
R&D costs	(38.80)	-4.1%	(34.50)	-3.9%
Commercial and sales costs	(103.60)	-10.9%	(92.40)	-10.6%
General and administrative costs	(121.80)	-12.8%	(116.10)	-13.3%
Operating profit before non-recurring items (EBITA)	96.00	10.1%	76.20	8.7%
Non-recurring items	(8.70)	-0.9%	(4.40)	-0.5%
EBIT	87.30	9.2%	71.80	8.2%
Net financial income (expense)	(12.00)	-1.3%	10.00	1.1%
Profit (loss) from investments accounted for using the equity method	1.90	0.2%	1.70	0.2%
Taxes	(26.50)	-2.8%	(25.00)	-2.9%
Profit attributable to non-controlling interests	(8.30)	-0.9%	(4.00)	-0.5%
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	42.40	4.4%	54.50	6.2%
EBITDA BEFORE NON-RECURRING ITEMS	125.40	13.2%	103.60	11.8%
EBITDA	116.70	12.2%	99.20	11.3%

30.09.2017 vs. 30.09.2016

IMA	30.09.2017		30.09.2016		31.12.2016	
		%		%		%
Euro/Million						
Trade receivables	304.60		305.20		308.90	
Inventories	347.40		307.70		278.90	
Trade payables	(433.00)		(409.00)		(476.80)	
Other, net	(104.40)		(100.50)		(107.60)	
Net working capital	114.60	21.5%	103.40	22.5%	3.40	0.9%
Property, plant and equipment	90.00		82.60		88.20	
Intangible assets	332.50		327.20		332.80	
Investments	68.80		24.90		26.00	
Non-current assets	491.30	92.1%	434.70	94.8%	447.00	120.8%
Severance obligations and other provisions	(72.50)		(79.50)		(80.30)	
<b>Net invested capital</b>	<b>533.40</b>	<b>100.0%</b>	<b>458.60</b>	<b>100.0%</b>	<b>370.10</b>	<b>100.0%</b>
Net debt	292.40	54.8%	237.30	51.7%	99.90	27.0%
Non-controlling interests	12.40		10.60		14.60	
Group equity attributable to equity holders of the parent	228.60	42.9%	210.70	45.9%	255.60	69.1%
<b>Total sources of financing</b>	<b>533.40</b>	<b>100.0%</b>	<b>458.60</b>	<b>100.0%</b>	<b>370.10</b>	<b>100.0%</b>

# Appendix

# 2016 RESULTS

31.12.2016 vs. 31.12.2015

IMA	2016	%	2015	%	change %
Euro/million					
Revenue	1,310.85	100.0%	1,109.54	100.0%	18.1%
Cost of sales	(830.26)	-63.3%	(688.77)	-62.1%	20.5%
Industrial gross profit	480.59	36.7%	420.77	37.9%	14.2%
R&D costs	(48.15)	-3.7%	(40.05)	-3.6%	20.2%
Commercial and sales costs	(128.12)	-9.8%	(115.33)	-10.4%	11.1%
General and administrative costs	(157.05)	-12.0%	(140.30)	-12.6%	11.9%
Operating profit before non-recurring items (EBITA)	147.27	11.2%	125.09	11.3%	17.7%
Non-recurring items	(5.93)	-0.5%	(9.47)	-0.9%	-37.4%
EBIT	141.34	10.8%	115.62	10.4%	22.2%
Net financial income (expense)	6.28	0.5%	(1.04)	-0.1%	-703.8%
Profit (loss) from investments accounted for using the equity method	1.53	0.1%	0.51	0.0%	200.0%
Taxes	(47.76)	-3.6%	(37.25)	-3.4%	28.2%
Profit (loss) attributable to non-controlling interests	(7.85)	-0.6%	(7.92)	-0.7%	-0.9%
<b>PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>93.54</b>	<b>7.1%</b>	<b>69.92</b>	<b>6.3%</b>	<b>33.8%</b>
EBITDA BEFORE NON-RECURRING ITEMS	185.08	14.1%	157.52	14.2%	17.5%
EBITDA	179.15	13.7%	148.05	13.3%	21.0%

31.12.2016 vs. 31.12.2015

IMA	2016	%	2015	%
Euro/Million				
Trade receivables	308.91		247.98	
Inventories	278.91		232.96	
Trade payables	(476.82)		(374.57)	
Other, net	(107.58)		(92.38)	
Net working capital	3.42	0.9%	13.99	4.1%
Property, plant and equipment	88.17		75.50	
Intangible assets	332.77		321.44	
Investments	26.02		23.06	
Non-current assets	446.96	120.8%	420.00	123.9%
Severance obligations and other provisions	(80.26)		(95.09)	
Net invested capital	370.12	100.0%	338.90	100.0%
Net debt	99.94	27.0%	163.12	48.1%
Non-controlling interests	14.64		16.78	
Group equity attributable to equity holders of the parent	255.54	69.0%	159.00	46.9%
Total sources of financing	370.12	100.0%	338.90	100.0%

31.12.2016 vs. 31.12.2015

IMA	2016	%	2015	%
Euro/Million		on sales		on sales
Trade receivables	308.91	23.6%	247.98	22.3%
Inventories	278.91	21.3%	232.96	21.0%
Trade payables	(306.15)	(23.4%)	(235.71)	(21.2%)
Advances from customers	(170.67)	(13.0%)	(138.86)	(12.5%)
<b>N.O.W.C.</b>	<b>111.00</b>	<b>8.5%</b>	<b>106.37</b>	<b>9.6%</b>

31.12.2016 vs. 31.12.2015

IMA - CASH FLOW	2016	2015
Euro/Million		
EBIT	141.34	115.62
Depreciation and amortization	37.81	32.44
Capital expenditure	(35.90)	(11.33)
Change in working capital	6.17	(23.32)
Change in other assets/liabilities	19.34	(29.88)
<b>Operating cash flow</b>	<b>168.76</b>	<b>83.53</b>
Net financial charges	(12.41)	(15.89)
Income taxes	(47.76)	(37.25)
<b>Cash flow from operations</b>	<b>108.59</b>	<b>30.39</b>
Acquisitions	(70.03)	(77.81)
Disposals	8.10	17.59
<b>Cash flow from extraordinary operations</b>	<b>(61.93)</b>	<b>(60.22)</b>
Dividends	(59.70)	(53.21)
Other changes in net equity	(3.85)	6.46
Change in scope of consolidation	(10.60)	3.77
Capital increase	90.67	28.13
<b>Change in net financial position</b>	<b>63.18</b>	<b>(44.68)</b>
Opening net financial position	163.12	118.44
Closing net financial position	99.94	163.12

<i>Euro/Million</i>	<b>Tea, Food &amp; Other</b>		<b>Pharmaceutical</b>		<b>Tobacco packaging</b>		<b>Not allocated</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>	658.7	521.0	551.7	519.2	100.4	69.3			<b>1,310.8</b>	<b>1,109.5</b>
<b>EBITDA before non-recurring items</b>	61.0	60.2	83.9	74.2	40.2	23.1			<b>185.1</b>	<b>157.5</b>
<i>% on sales</i>	9.3%	11.6%	15.2%	14.3%	40.0%	33.3%			<b>14.1%</b>	<b>14.2%</b>
<b>Ebit</b>	28.3	28.6	73.4	64.4	39.6	22.6			<b>141.3</b>	<b>115.6</b>
<i>% on sales</i>	4.3%	5.5%	13.3%	12.4%	39.4%	32.6%			<b>10.8%</b>	<b>10.4%</b>
<b>Net invested capital (*)</b>	274.1	250.4	103.2	106.9	(13.0)	(18.7)	5.8	0.3	<b>370.1</b>	<b>338.9</b>
<b>Backlog</b>	243.7	199.2	433.9	393.4	88.6	57.3			<b>766.2</b>	<b>649.9</b>
<i>% change vs 2015</i>	22.3%		10.3%		54.6%				<b>17.9%</b>	
<b>Orders</b>	635.3	532.2	592.1	585.3	131.7	46.9			<b>1,359.1</b>	<b>1,164.4</b>
<i>% change vs 2015</i>	19.4%		1.2%		180.8%				<b>16.7%</b>	

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

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