

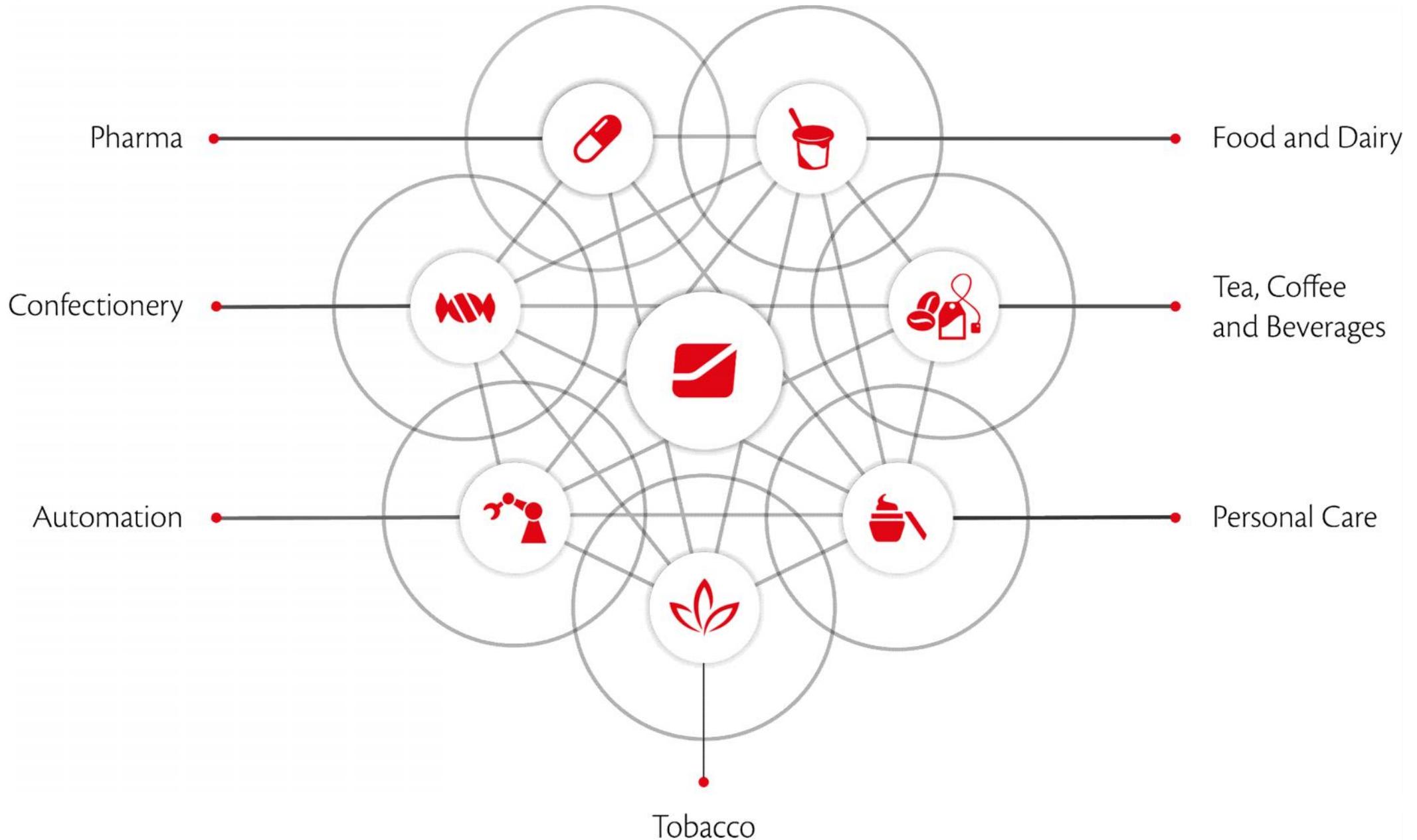
Company results

Innovative Automatic Machine
System Solutions

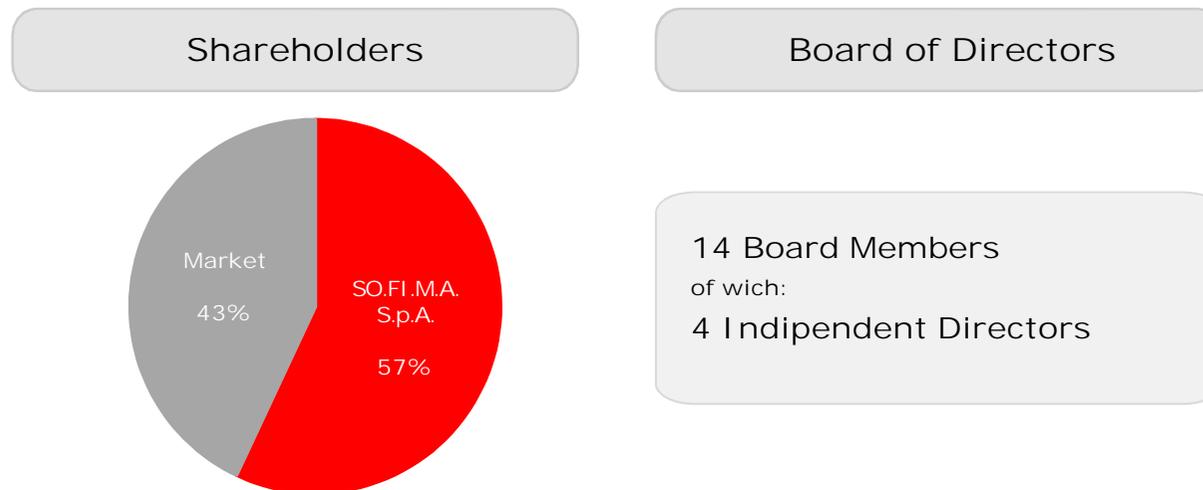
2018 FULL YEAR RESULTS

INVESTOR RELATIONS

15 March 2019



- 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
- More than 5,400 employees, more than 2,300 of whom based abroad (YTD)
- In 2018 € 1,500.4 millions worldwide sales, of which more than 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

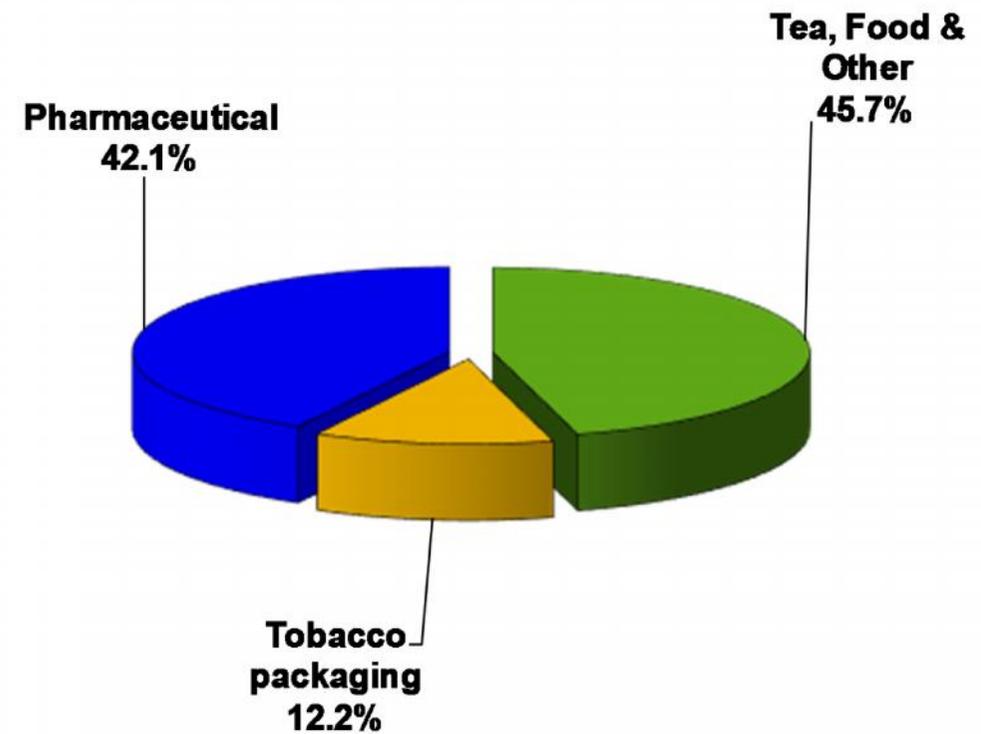
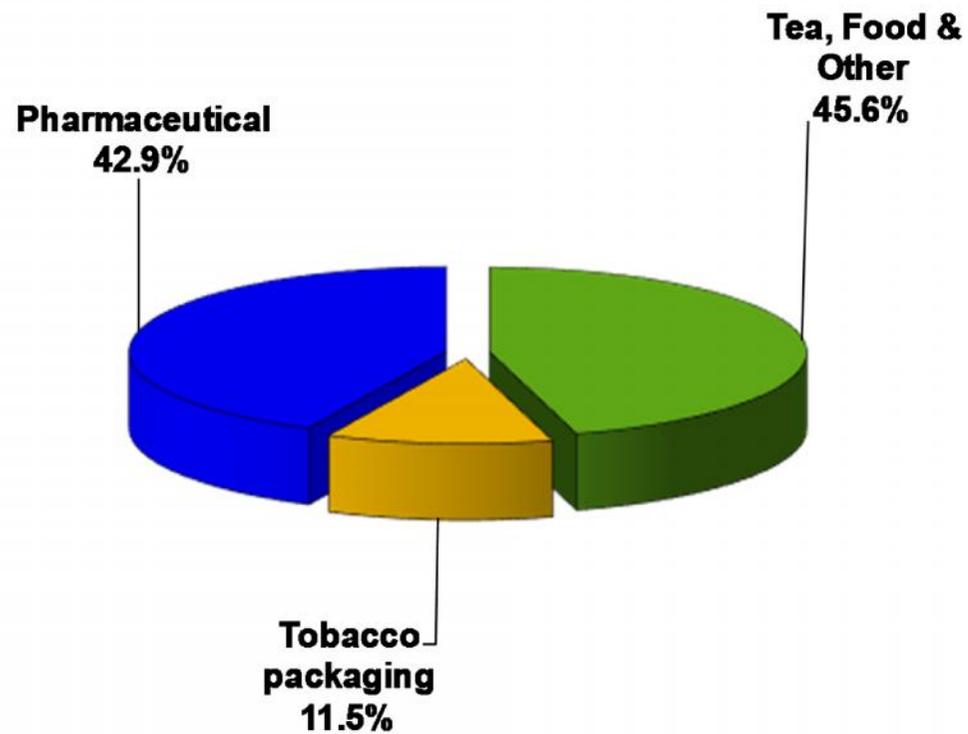
- Leading position in almost all of the segments in which the Group operates
- Low cyclical nature of demand
- High growth potential, both organic and through acquisitions
- Highly professional and strongly motivated management team
- Superior products commanding a premium price

2017 **Restated**

2018

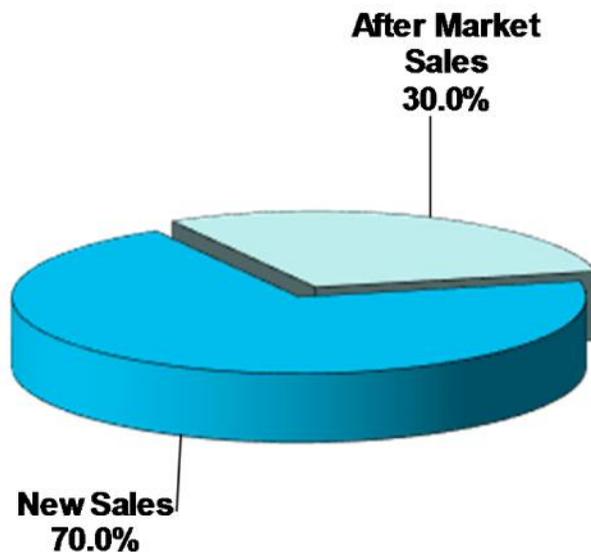
Total sales: € 1,320.2 million

Total sales: € 1,500.4 million

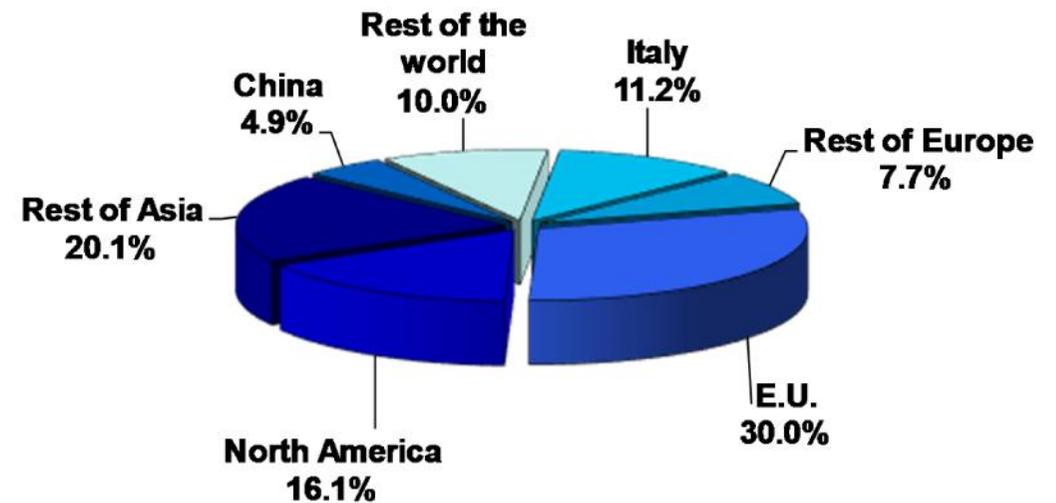


- Significant share of the Group's earnings generated by after-sale services, spare parts and equipment, which are higher-margin and recurring in nature (30% of overall revenue)
- Geographically well diversified revenue sources

Revenue by Nature 2018



Revenue by Geography 2018





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

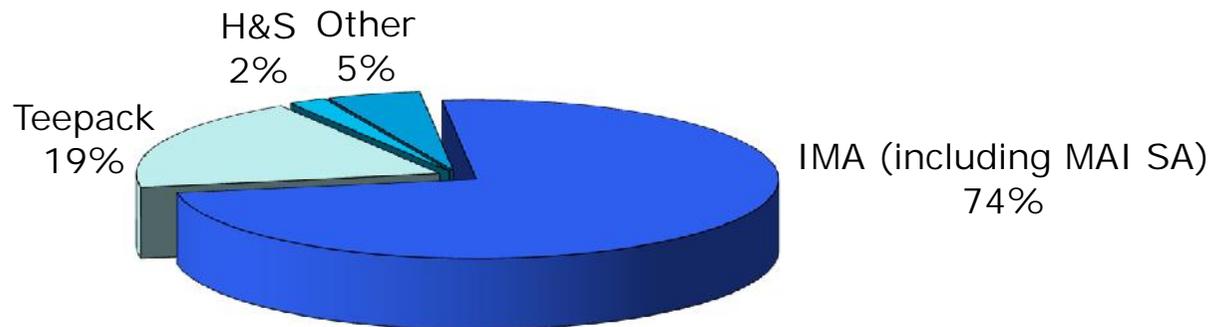
Complete primary and secondary packaging lines to the pharmaceutical and extra-pharma industries.





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



Petroncini Impianti SpA

On 5th of April 2018, IMA completed the acquisition of a further 31% of share capital of Petroncini Impianti SpA, located in Ferrara, which is the market leader in machinery for the production of coffee, bringing at 80% the total ownership of this company.

The financial contribution was 8.6 million euros.

Petroncini closed 2017 with turnover of around 15 million euros and an EBITDA of about 3.5 million euros.

This acquisition represent a significant strengthening of range of machinery for the production of coffee offering solutions for complete systems ranging from green coffee to the final packaging of roasted coffee in capsules, pods and bags.



Spreatifico Automation Srl – Tecmar S.A.

End of February 2019, IMA signed an agreement to buy 70.0% of Spreatifico Automation S.r.l., based in Calolziocorte (Lecco), an important player in the design, production and marketing of automatic machines for filling and preparing single-serve capsules for coffee and other soluble products.

The closing is expected for April 2019 and the pro-quota enterprise value is 9.6 million euros.

For the remaining 30.0% of the shares, IMA signed a call option, to be exercised in April 2028.

Spreatifico Automation estimates for the 2018 sales of around 16.5 million euros and an EBITDA of about 2.5 million euros.

End of February 2019, IMA signed an agreement to buy 61.45% of Tecmar S.A., based in Mar del Plata (Argentina), an important player in Latin American market in the design, production and marketing of automatic packaging machines in the coffee and food sectors.

The closing is expected for April 2019 and the pro-quota enterprise value is 1.3 million euros.

For the remaining 38.55% of the shares, IMA signed a put and call option, to be exercised in April 2024.

Tecmar estimates for the 2018 sales of around 4.5 million euros and an EBITDA of about 0.5 million euros.

These acquisitions represent the strengthening of the presence in the coffee sector, a market that is expected to grow strongly in the coming years, completing the range of products.



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



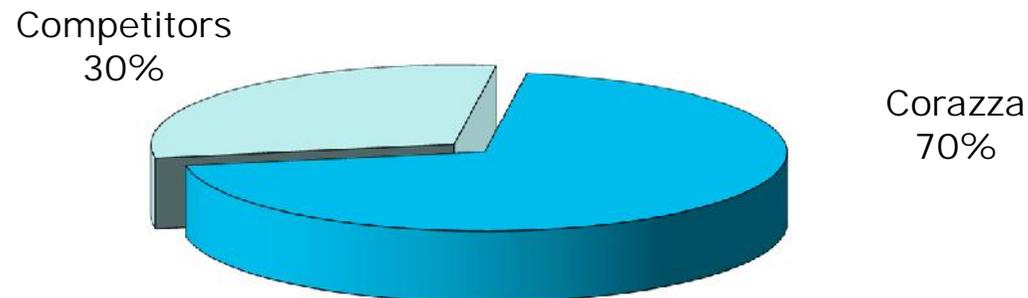
SHIPPING CASE AND PALLET



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 Sapa

Stock Cubes and Dairy Packaging market share



Company estimates

Flexible packaging sector

Ilapak & Eurosicma

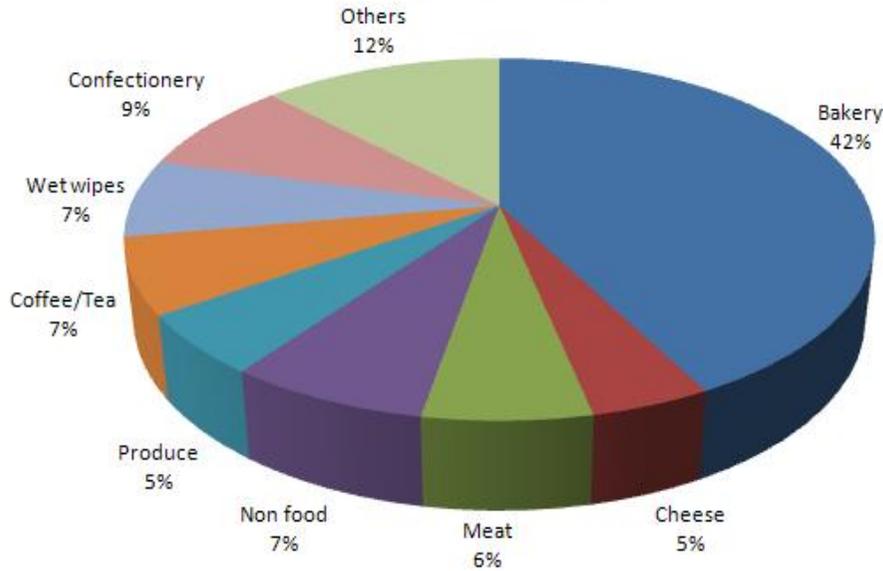
Long experience operating in food and non food flexible packaging solutions

- 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



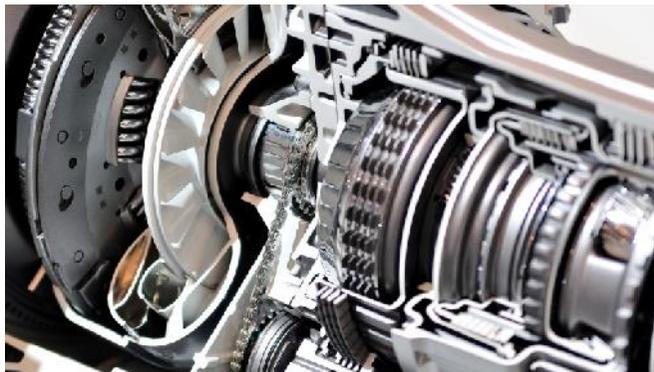


Medical devices & vision care

- 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

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





GIMA TT: innovative packaging lines for the tobacco market

Since October 2017, listed on the STAR segment of the MTA of Borsa Italiana.

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

Tissue Machinery Company (TMC)

On 4th of May 2018, IMA completed the acquisition of 82.5% of share capital of TMC S.p.A. based in Castel Guelfo (Bologna), which manufactures and markets automatic machines for packaging of Tissue and Personal Care products and after-sales services.

The financial cash out was 58.5 million euros, entirely paid at the closing.

For the remaining 17.5% of the shares, IMA signed a put and call option, to be exercised by April 2023.

TMC Group had a negative net financial position of approximately 14 million euros and for 2018 expects sales of around 80 million euros and an EBITDA of more than 10 million euros, with about 200 employees.

These acquisition represent the willing to create a leading international hub in the Tissue and Personal Care sector.

TMC's reference end-markets

1

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 ...

2

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)

Tissue Machinery Company (TMC)

The main competitors are:

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

Ciemme Srl

On 25th of June 2018, IMA completed the acquisition of 70.0% of share capital of Ciemme S.r.l., based in Albavilla (Como), which manufactures and markets end-of-line automatic machines.

The financial cash out was 14.0 million euros, of which 1.5 million euros paid at the closing and the balance in July 2018.

For the remaining 30.0% of the shares, IMA signed a put and call option, to be exercised after the full year 2023 results.

Ciemme had a positive net financial position of approximately 3 million euros and for 2018 expects sales of around 12 million euros and an EBITDA of about 2.7 million euros.

These acquisition represent the strengthening of the range of end-of-line machines.

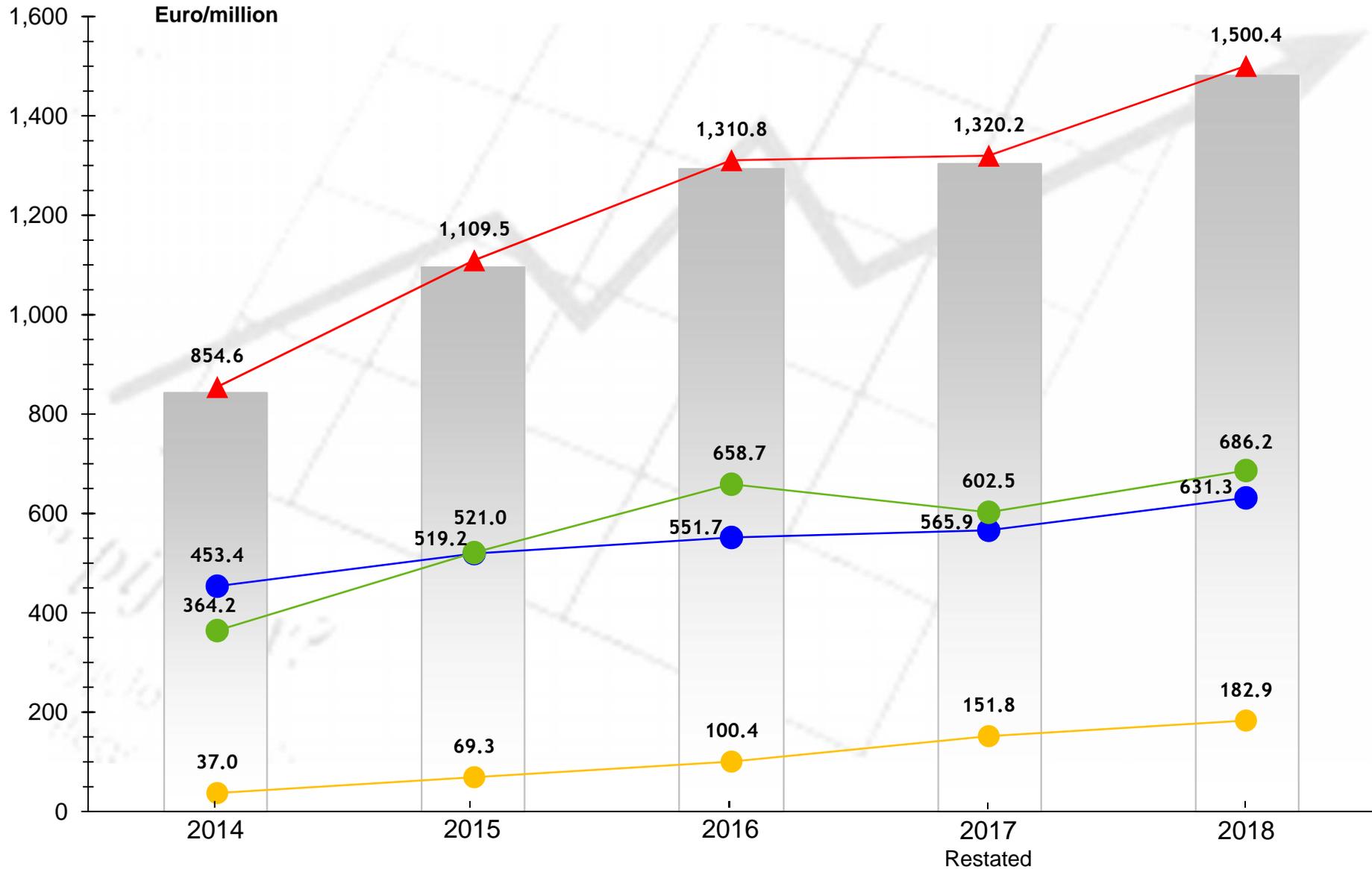
Production Plants

IMA manufactures equipment in 39 production plants located in Italy, Germany, Switzerland, UK, USA, India, Malaysia, China, Argentina.



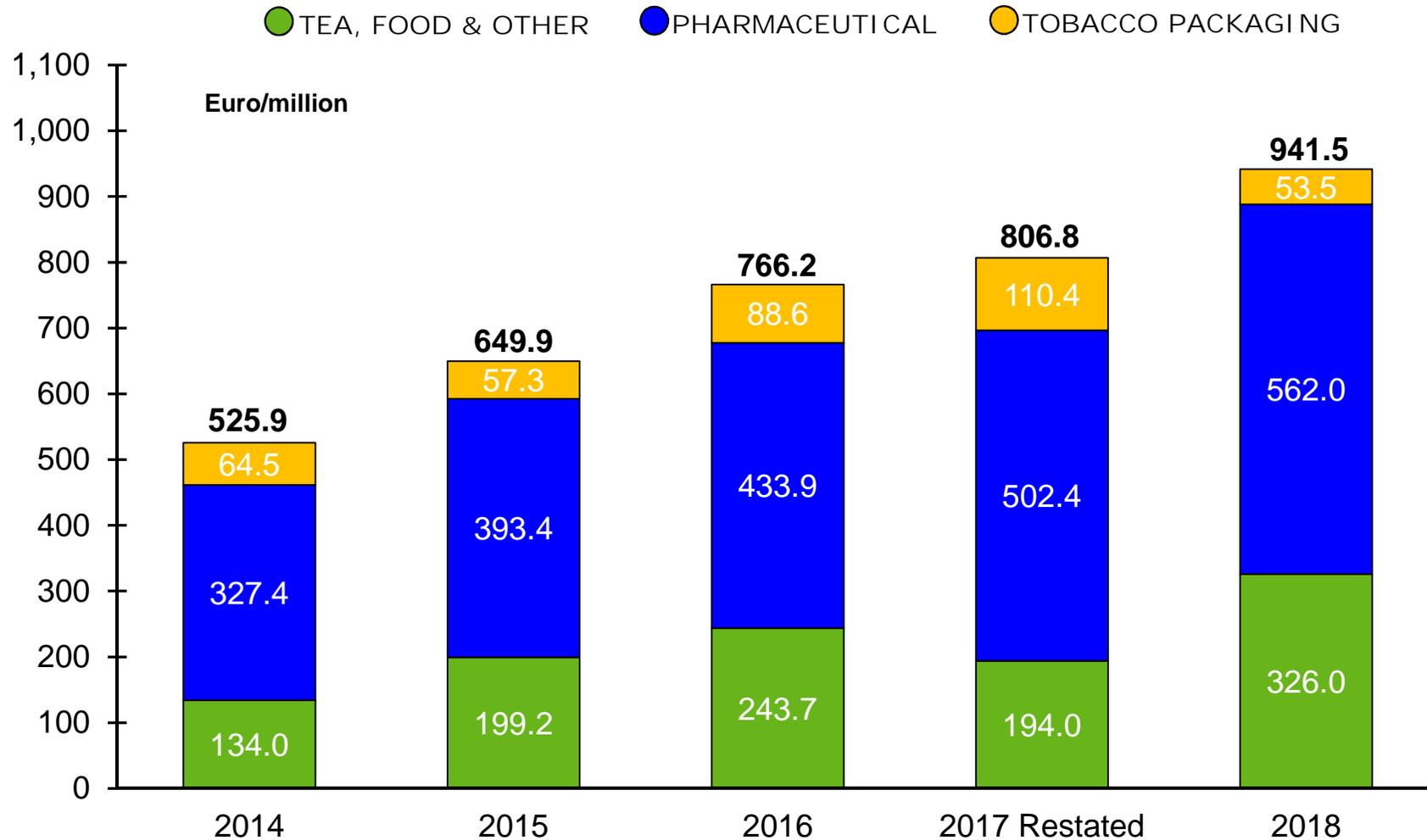
Trend of the sales

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

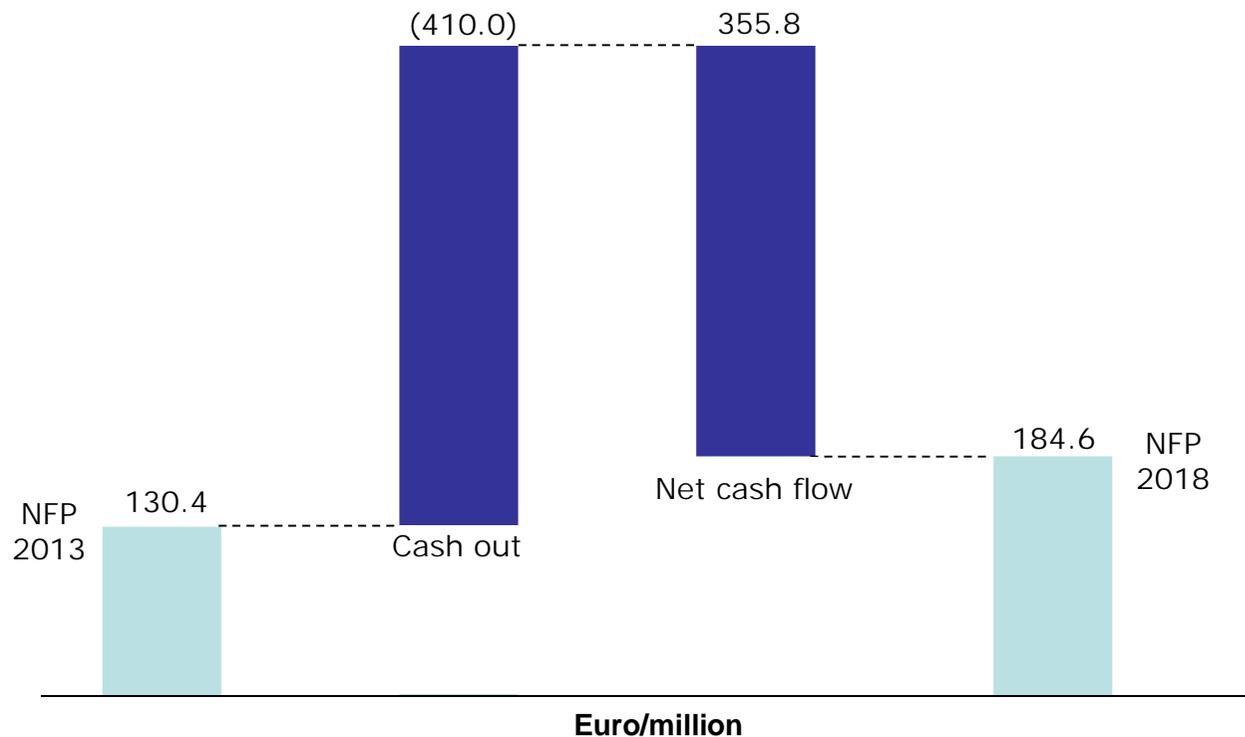


Historical Backlog

- Strong trend of order acquisition during 2018 with a considerable number of negotiations currently underway
- The backlog at 31 December 2018 is 16.7% higher than 31 December 2017 (restated)



2013	Net Financial Position	(130.4)		
	Dividends	(315.7)	}	Net cash out 2014-2018 (410.0)
	Capital Increase	118.8		
	Acquisitions	(373.5)		
	Disposals	57.9		
	IPO Gima TT	102.5		
	Cumulated Cash Flow	355.8	→	2014-2018
2018	Net Financial Position	(184.6)		



Sale of 60% of IMA Dairy & Food Holding GmbH – Filling business

On the 20th of December 2018, IMA completed the sale of 60% of IMA Dairy & Food Holding GmbH with TB Tauris Italia S.r.l., owned by Mr. Thomas Becker, CEO of IMA Dairy & Food Holding GmbH, who has a strong experience in the industry with an exceptional track record in turning around businesses.

The equity value of the investment is 18 million euros, of which 13 million euros was paid at the closing with the rest to be paid by June 2019.

The companies involved in the transaction are leading player in the design, manufacture and market machines, lines and systems for forming, filling and sealing products dedicated to the food and dairy market, with production facilities in Germany and France.

The companies Benhil GmbH (Germany) and Hassia Packaging Pvt. Ltd. (India), that weren't part of the transaction, are fully and directly owned by IMA S.p.A.

Due to the planned disposal, the activities and the economic results of the companies involved in the transaction will be presented as discontinued operation starting from 1 January 2018, in accordance with IFRS5 requirements.

2018 RESULTS

Figures for 2017 have been restated for the sale of 60% of IMA Dairy & Food GmbH (Filling business)

31.12.2018 vs. 31.12.2017

IMA	2018	%	2017 Restated	%	change %
Euro/million					
Revenue	1,500.37	100.0%	1,320.20	100.0%	13.6%
Cost of sales	(928.33)	-61.9%	(805.71)	-61.0%	15.2%
Industrial gross profit	572.04	38.1%	514.49	39.0%	11.2%
R&D costs	(55.31)	-3.7%	(50.99)	-3.9%	8.5%
Commercial and sales costs	(136.68)	-9.1%	(125.23)	-9.5%	9.1%
General and administrative costs	(163.64)	-10.9%	(147.09)	-11.1%	11.3%
Operating profit (EBIT) before non-recurring items	216.41	14.4%	191.18	14.5%	13.2%
Non-recurring items	(6.35)	-0.4%	(5.37)	-0.4%	18.2%
Operating profit (EBIT)	210.06	14.0%	185.81	14.1%	13.1%
Net financial income (expense)	(0.54)	0.0%	(15.27)	-1.2%	-96.5%
Profit (loss) from investments accounted for using the equity method	2.42	0.2%	1.28	0.1%	89.1%
Taxes	(61.18)	-4.1%	(52.39)	-4.0%	16.8%
Net profit from continuing operations	150.76	10.0%	119.43	9.0%	26.2%
Profit (loss) from discontinued operations/disposal groups	(26.17)	-1.7%	(20.01)	-1.5%	30.8%
Profit (loss) attributable to non-controlling interests	(20.56)	-1.4%	(13.83)	-1.0%	48.7%
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	104.03	6.9%	85.59	6.5%	21.5%
EBITDA BEFORE NON-RECURRING ITEMS	259.98	17.3%	224.14	17.0%	16.0%
EBITDA	253.63	16.9%	218.77	16.6%	15.9%

31.12.2018 vs. 31.12.2017

IMA	2018	%	2017	%
Euro/Million				
Trade receivables	384.03		325.23	
Inventories	319.72		309.69	
Trade payables	(514.69)		(502.61)	
Other, net	(89.98)		(105.49)	
Net working capital	99.08	16.4%	26.82	6.1%
Property, plant and equipment	111.89		95.09	
Intangible assets	453.98		362.16	
Investments	57.79		44.03	
Non-current assets	623.66	103.0%	501.28	113.8%
Severance obligations and other provisions	(117.23)		(87.52)	
Net invested capital	605.51	100.0%	440.58	100.0%
Net debt	184.58	30.5%	50.05	11.4%
Non-controlling interests	23.90		21.31	
Group equity attributable to equity holders of the parent	397.03	65.6%	369.22	83.8%
Total sources of financing	605.51	100.0%	440.58	100.0%

31.12.2018 vs. 31.12.2017

IMA	2018	%	2017 Restated	%
Euro/Million		on sales		on sales
Trade receivables	384.03	25.6%	325.23	24.6%
Inventories	319.72	21.3%	309.69	23.5%
Trade payables	(340.83)	(22.7%)	(336.55)	(25.5%)
Advances from customers	(173.86)	(11.6%)	(166.06)	(12.6%)
N.O.W.C.	189.06	12.6%	132.31	10.0%

31.12.2018 vs. 31.12.2017

IMA - CASH FLOW	2018	2017
Euro/Million		
EBIT	210.06	165.22
Depreciation and amortization	43.57	42.05
Capital expenditure	(57.75)	(36.88)
Change in working capital	(65.43)	(13.91)
Change in other assets/liabilities	(13.88)	(11.28)
Operating cash flow	116.57	145.20
Net financial charges	(12.91)	(15.92)
Income taxes	(61.18)	(51.16)
Cash flow from operations	42.48	78.12
Acquisitions	(123.52)	(55.13)
Disposals	13.22	103.11
Cash flow from extraordinary operations	(110.30)	47.98
Dividends	(83.90)	(73.37)
Other changes in net equity	(1.76)	(8.32)
Purchase of treasury shares	(8.53)	–
Change in scope of consolidation	27.48	5.48
Change in net financial position	(134.53)	49.89
Opening net financial position	50.05	99.94
Closing net financial position	184.58	50.05

Euro/Million	Tea, Food & Other		Pharmaceutical		Tobacco packaging		Not allocated		Total	
	2018	2017 Restated	2018	2017 Restated	2018	2017 Restated	2018	2017 Restated	2018	2017 Restated
Revenue	686.2	602.5	631.3	565.9	182.9	151.8			1,500.4	1,320.2
EBITDA before non-recurring items	75.5	66.1	111.5	95.0	73.0	63.0			260.0	224.1
<i>% on sales</i>	11.0%	11.0%	17.7%	16.8%	39.9%	41.5%			17.3%	17.0%
Ebit	38.9	40.7	99.1	83.9	72.1	61.2			210.1	185.8
<i>% on sales</i>	5.7%	6.8%	15.7%	14.8%	39.4%	40.3%			14.0%	14.1%
Net invested capital (*)	446.1	340.2	116.5	83.9	40.0	2.6	2.9	13.9	605.5	440.6
Backlog	326.0	194.0	562.0	502.4	53.5	110.4			941.5	806.8
<i>% change vs 2017</i>	68.0%		11.9%		-51.5%				16.7%	
Orders	776.5	598.2	690.9	634.4	126.0	173.6			1,593.4	1,406.2
<i>% change vs 2017</i>	29.8%		8.9%		-27.4%				13.3%	

(*) 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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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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