

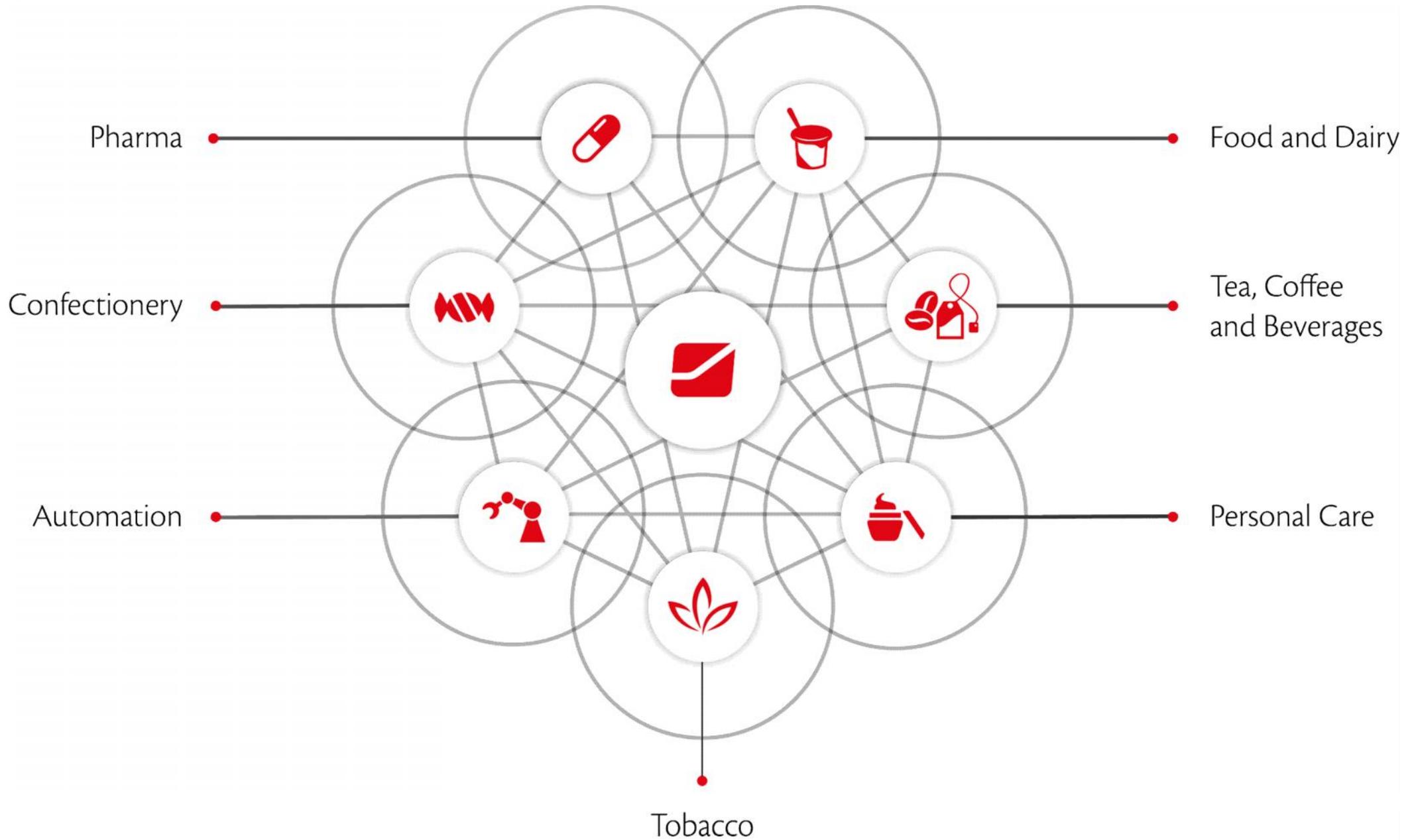
Company results

Innovative Automatic Machine
System Solutions

1st QUARTER 2018 RESULTS

INVESTOR RELATIONS

15 May 2018



- 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 5,600 employees, about 2,800 of whom based abroad (YTD)
- In 2017 € 1,444.7 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

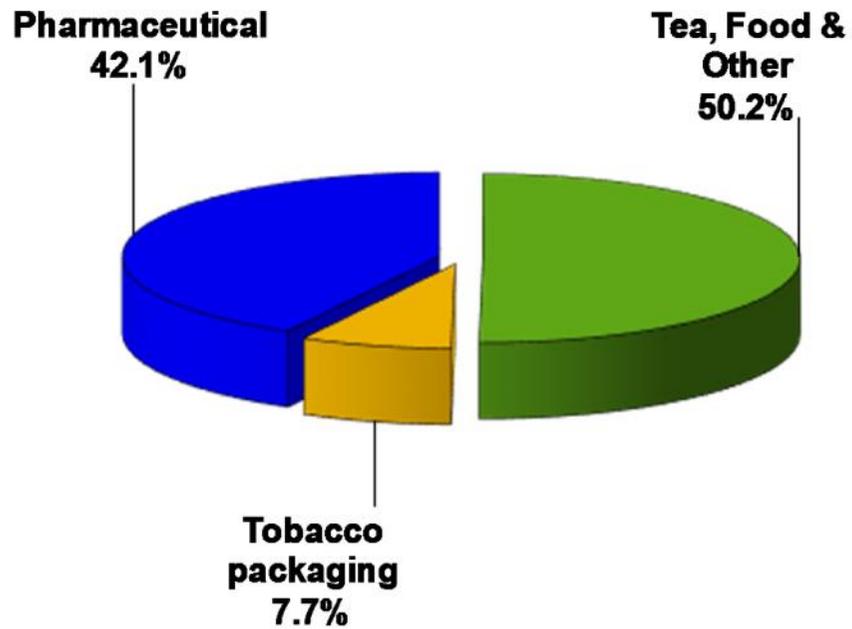
- Cutting-edge R&D laboratories
- Continuous product innovation
- A winning business model
- High customer loyalty
- Excellent positioning thanks to an extensive customer service network and a full product range to offer
- High barriers to market entry

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

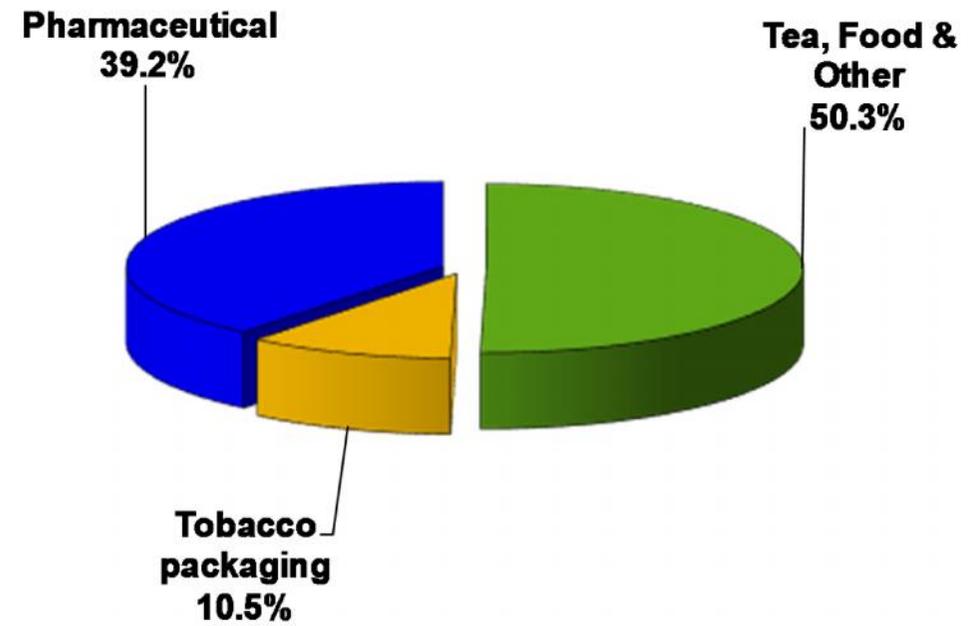
2016

Total sales: € 1,310.8 million



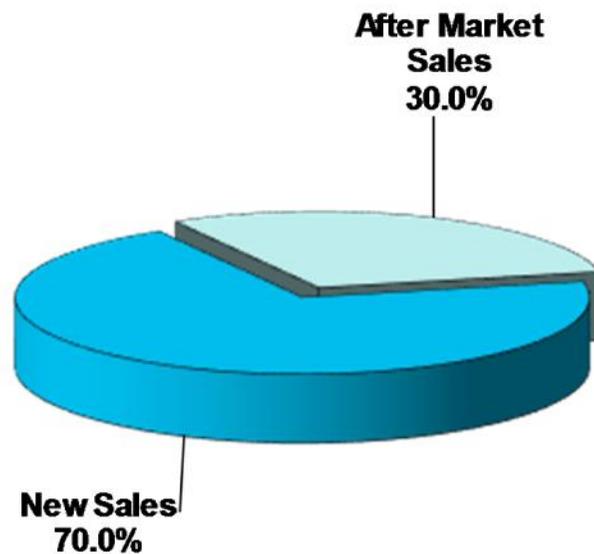
2017

Total sales: € 1,444.7 million

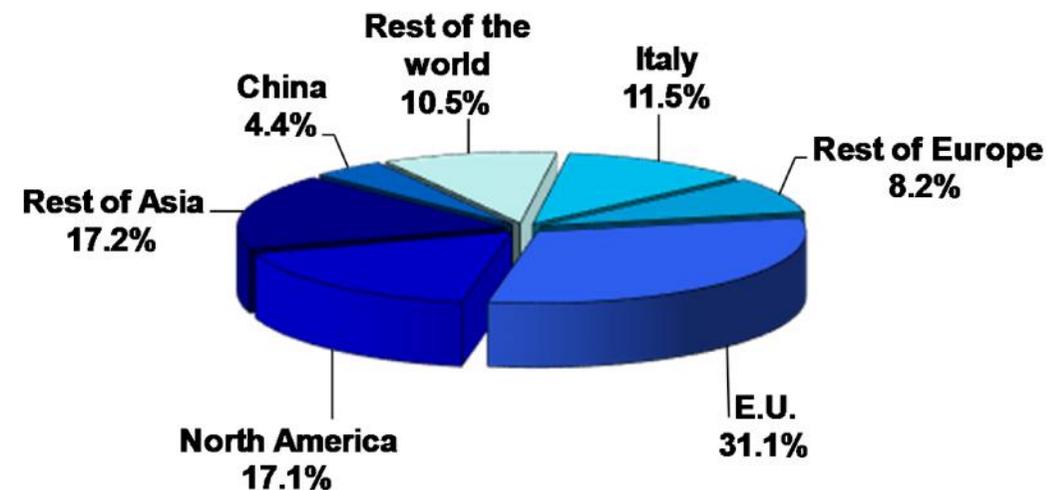


- Significant share of the Group's earnings generated by after-sale services, spare parts and equipment, which are higher-margin and recurring in nature (30% of overall revenue)
- Geographically well diversified revenue sources

Revenue by Nature
2017



Revenue by Geography
2017





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.



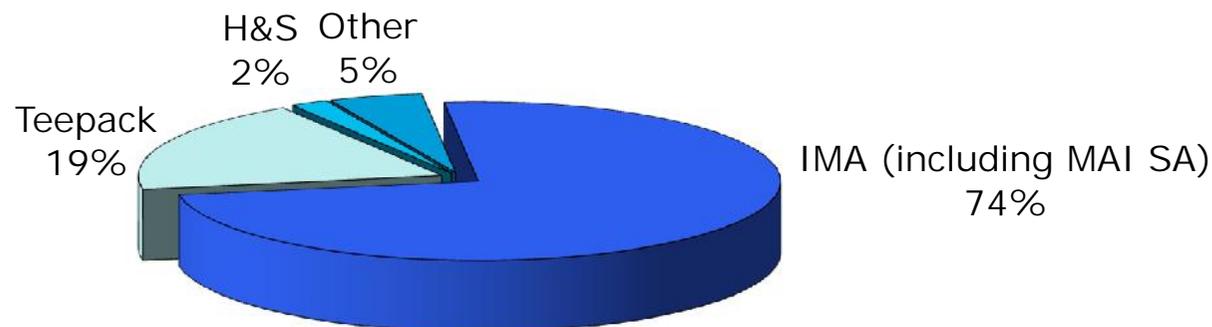
IMA Safe - Packaging Solutions
Complete primary and secondary packaging lines to the pharmaceutical and extra-pharma industries.





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



Petroncini Impianti SpA

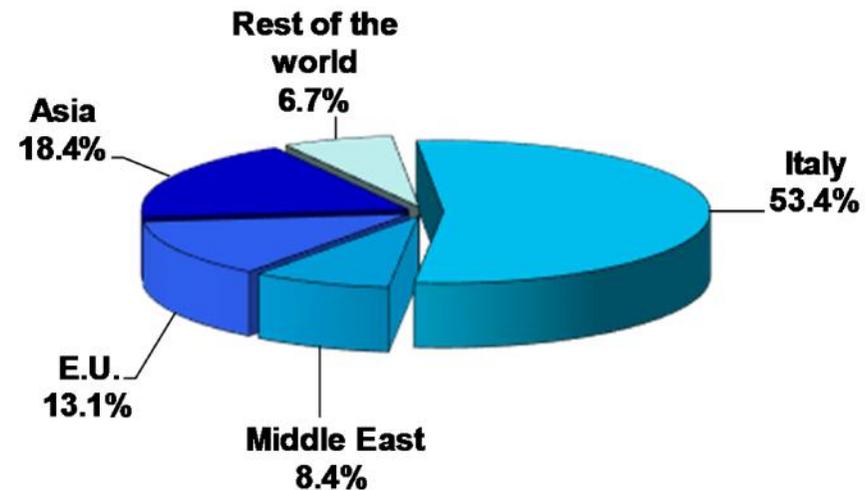
On 5th of April 2018, IMA completed the acquisition of a further 31% of share capital of Petroncini Impianti SpA, located in Ferrara, which is the market leader in machinery for the production of coffee, bringing at 80% the total ownership of this company.

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.

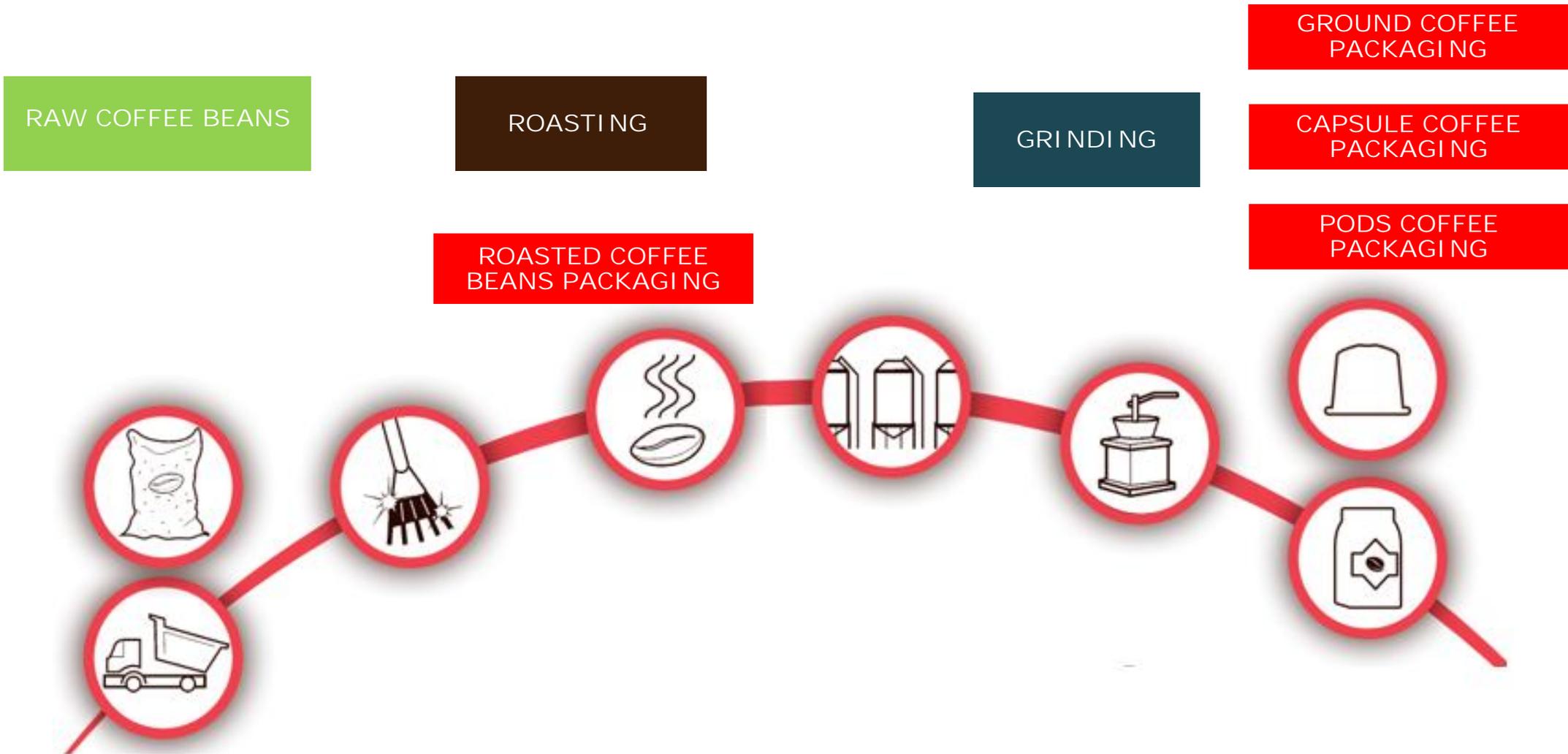
This acquisition represent a significant strengthening of range of **machinery for the production of coffee offering solutions for complete systems ranging from green coffee to the final packaging of roasted coffee in capsules, pods and bags.**

Revenue by Geography
2017





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



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

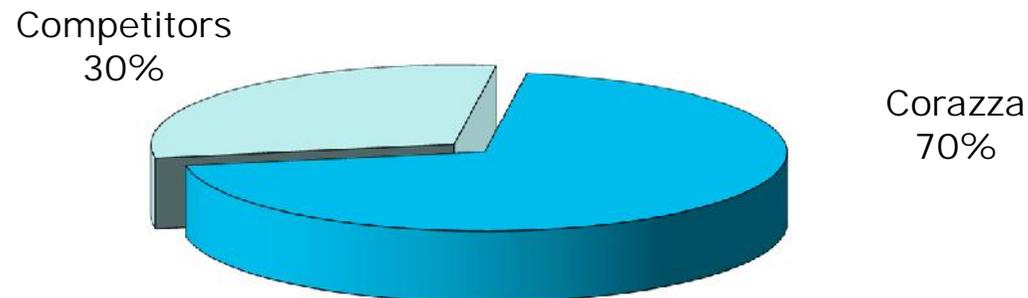
- Hassia
- Hamba / Gasti



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

Flexible packaging sector

Ilapak & Eurosicma

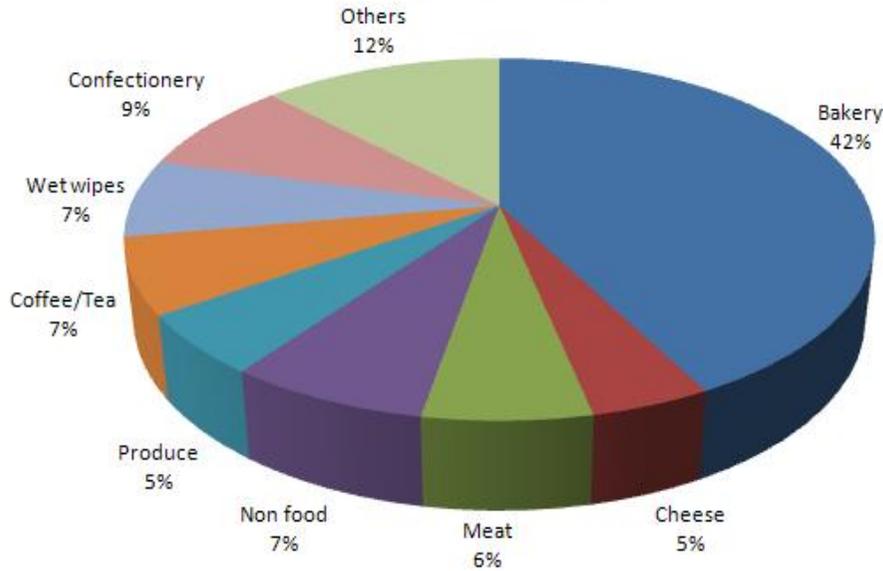
Long experience operating in food and non food flexible packaging solutions

- 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



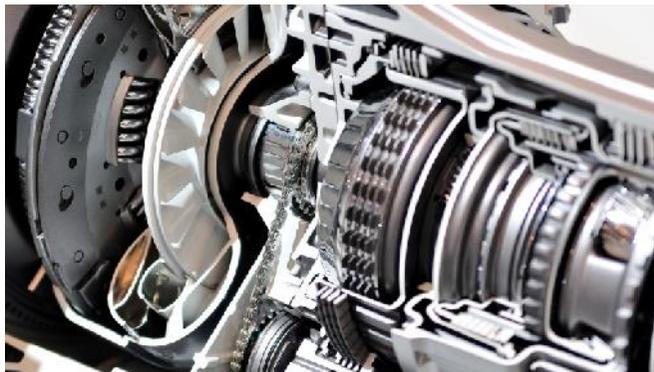


Medical devices & vision care

- 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 has 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

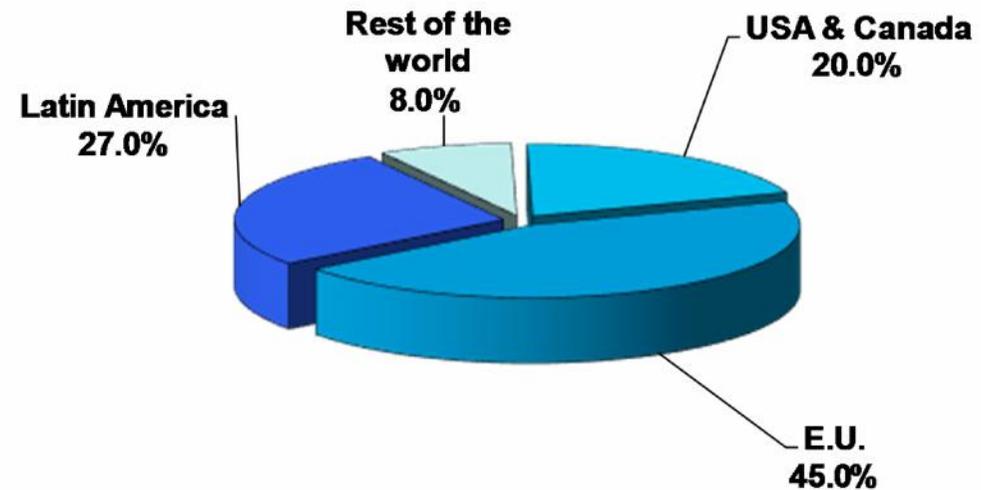
... and also offers secondary packaging solutions for the personal care segment (i.e. baby and adult diapers, feminine care products)

Tissue Machinery Company (TMC)

The main competitors are:

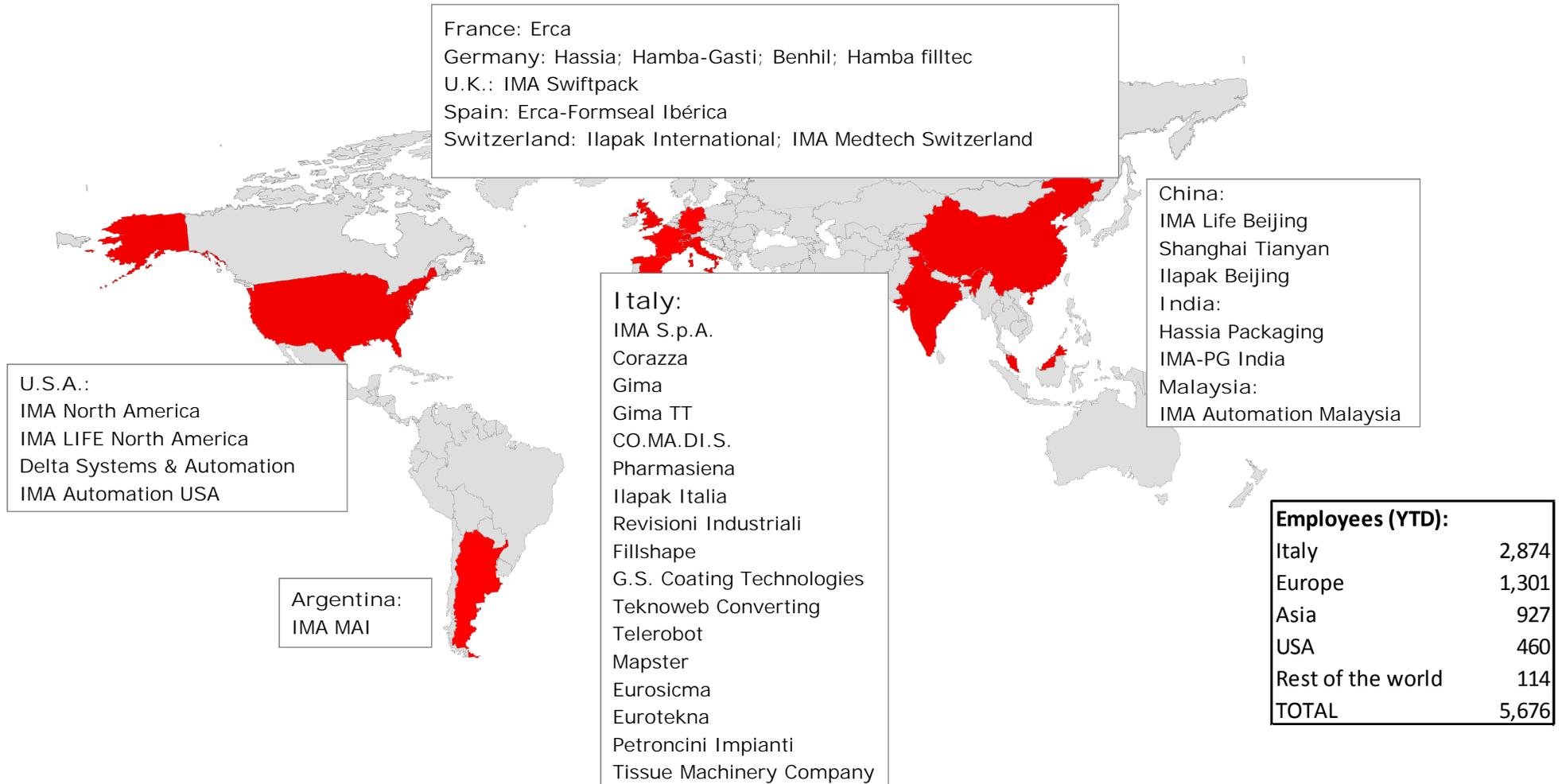
- Rolls: Casmatic, Paper Converting, Edson, Infinity, Stax Technologies
- Facial tissue: R.A Jones, Casmatic, Mpac
- Personale care: Optima, GDM, Focke, Orion, Gevas

**Revenue by Geography
2017**



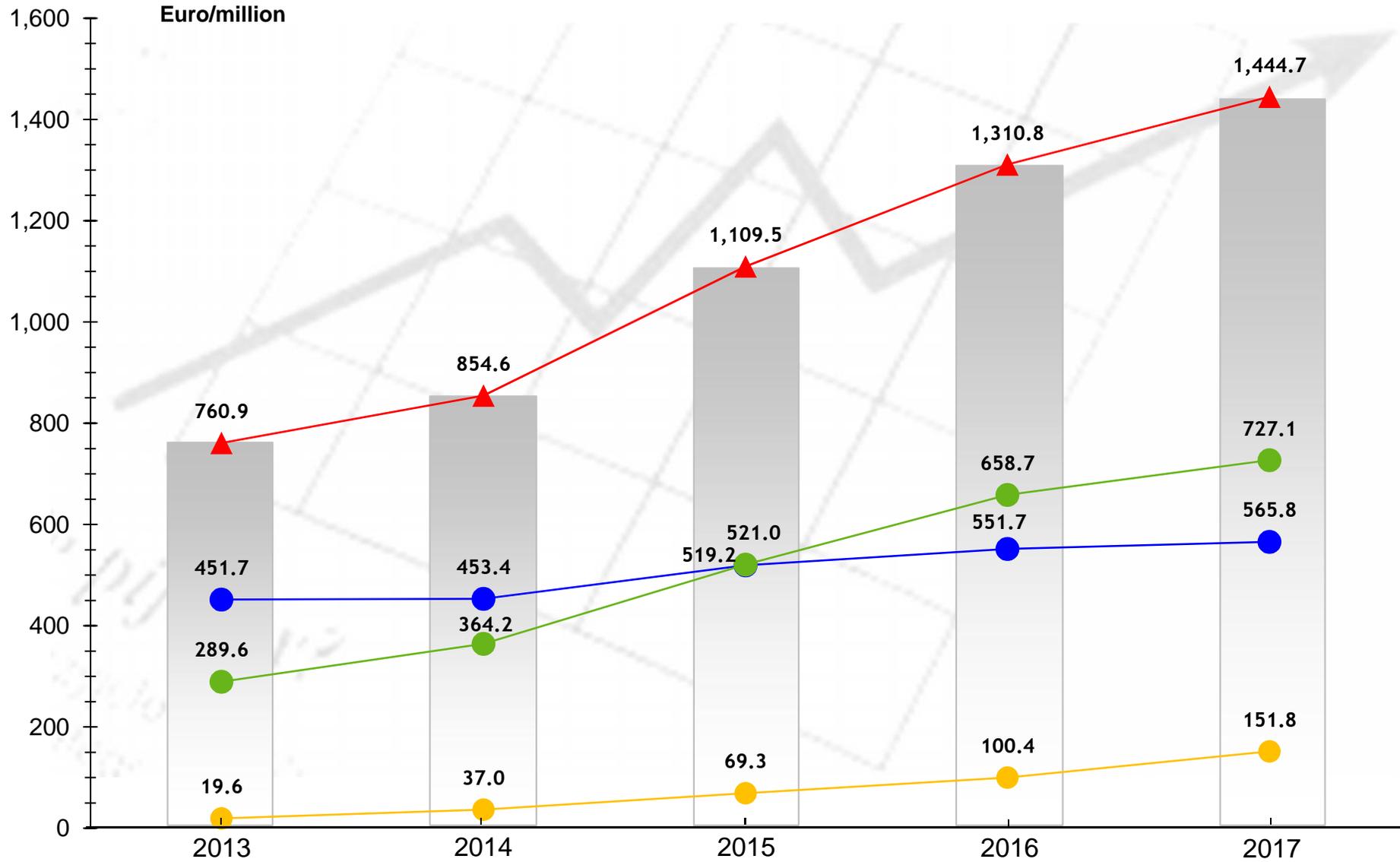
Production Plants

IMA manufactures equipment in 43 production plants located in Italy, Germany, France, Switzerland, Spain, UK, USA, India, Malaysia, China, Argentina.

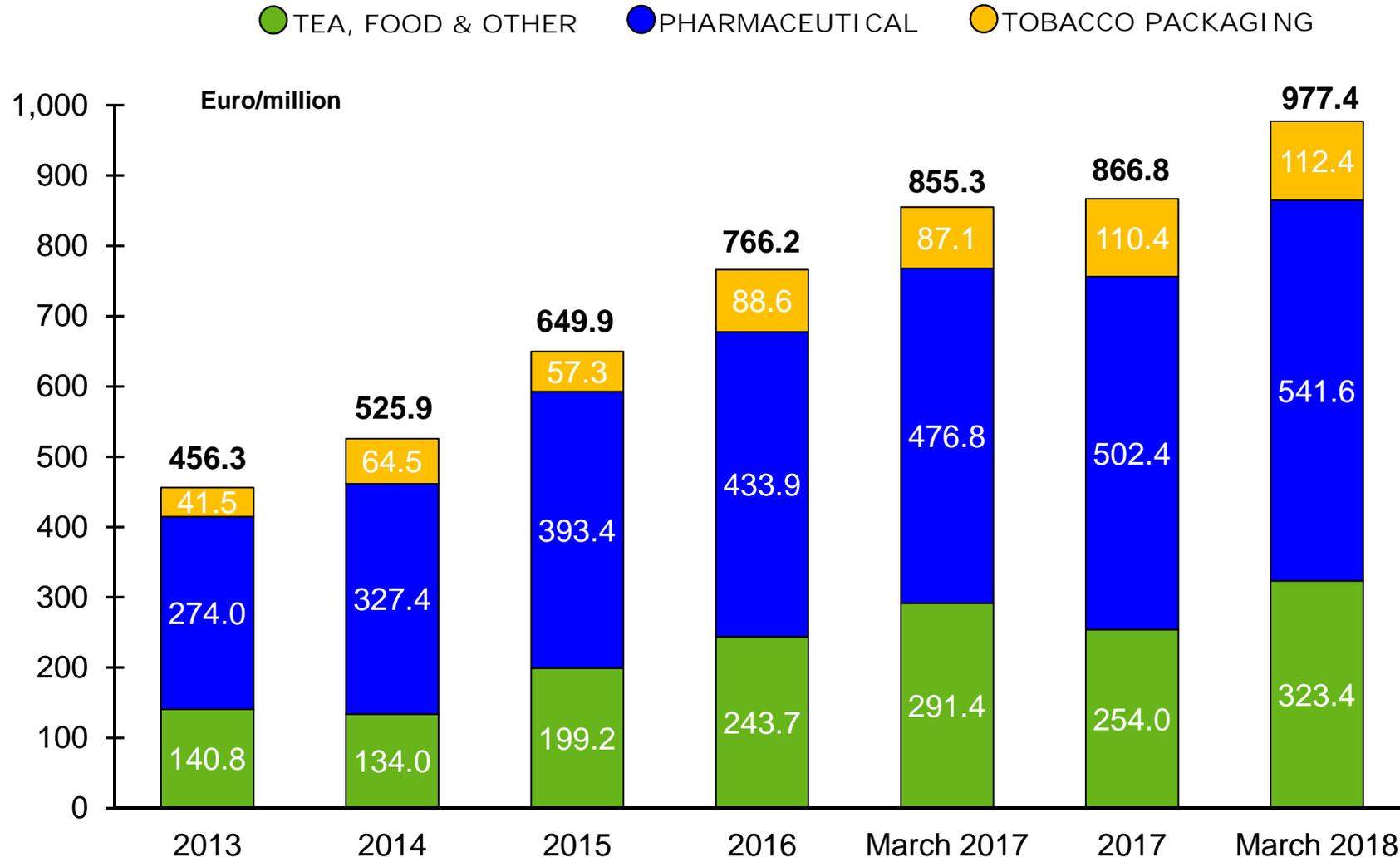


Trend of the sales

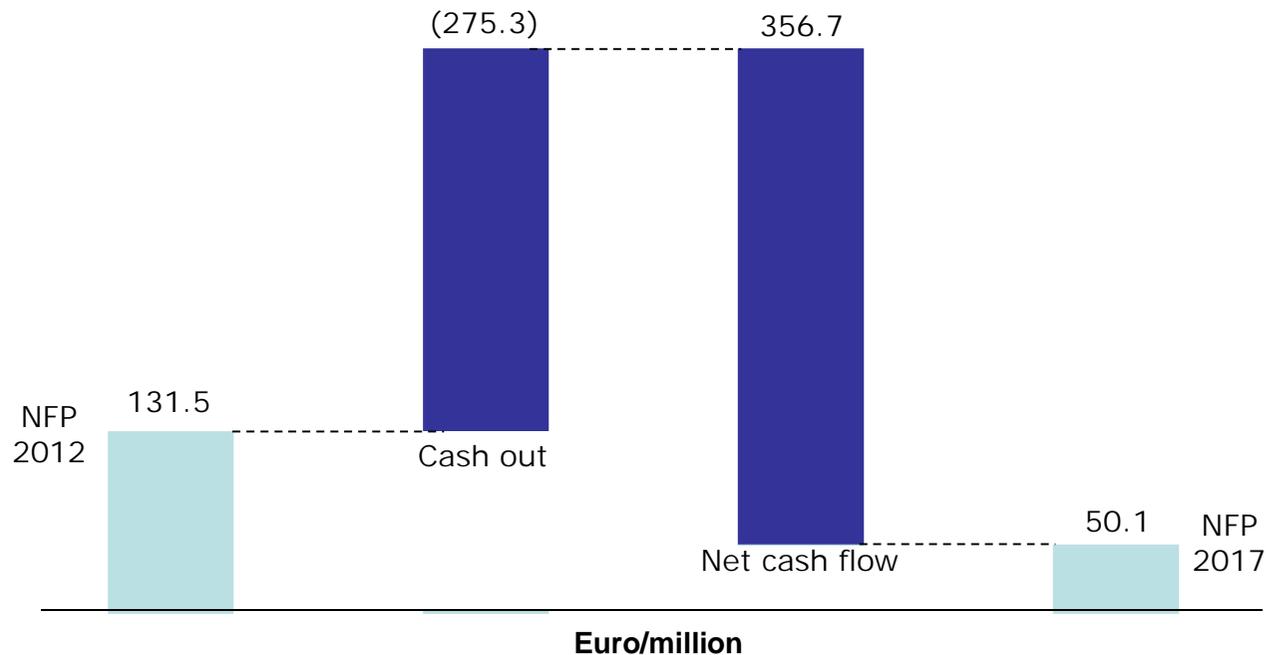
● TEA, FOOD & OTHER ● PHARMACEUTICAL ● TOBACCO PACKAGING ▲ TOTAL



- Strong trend of order acquisition is continuing also in 2018 in all sectors with a considerable number of negotiations currently underway
- The backlog at 31 March 2018 is 14.3% higher than 31 March 2017



2012	Net Financial Position	(131.5)		
	Dividends	(316.9)	}	Net cash out 2013-2017 (275.3)
	Capital Increase	118.8		
	Acquisitions	(266.5)		
	Disposals	86.8		
	IPO Gima TT	102.5		
	Cumulated Cash Flow	356.7	→	2013-2017
2017	Net Financial Position	(50.1)		



1st QUARTER 2018 RESULTS

<i>Euro/Million</i>	Tea, Food & Other		Pharmaceutical		Tobacco packaging		Not allocated		Total	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Revenue	140.7	127.6	149.6	130.7	41.3	36.1			331.6	294.4
EBITDA before non-recurring items	-5.2	-6.9	24.3	24.1	14.1	12.4			33.2	29.6
<i>% on sales</i>	-3.7%	-5.4%	16.2%	18.4%	34.1%	34.3%			10.0%	10.1%
Ebit	-13.2	-13.7	21.3	21.4	14.0	12.3			22.1	20.0
<i>% on sales</i>	-9.4%	-10.7%	14.2%	16.4%	33.9%	34.1%			6.7%	6.8%
Net invested capital (*)	392.8	314.1	136.1	144.1	36.9	11.8	1.6	3.4	567.4	473.4
Backlog	323.4	291.4	541.6	476.8	112.4	87.1			977.4	855.3
<i>% change vs 2017</i>	11.0%		13.6%		29.0%				14.3%	
Orders	210.2	175.3	188.8	173.6	43.3	34.5			442.3	383.4
<i>% change vs 2017</i>	19.9%		8.8%		25.5%				15.4%	

(*) 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.

31.03.2018 vs. 31.03.2017

IMA	1st Quarter 2018	%	1st Quarter 2017	%
Euro/million				
Revenue	331.60	100.0%	294.40	100.0%
Cost of sales	(217.20)	-65.5%	(183.60)	-62.4%
Industrial gross profit	114.40	34.5%	110.80	37.6%
R&D costs	(14.50)	-4.4%	(14.20)	-4.8%
Commercial and sales costs	(34.60)	-10.4%	(34.20)	-11.6%
General and administrative costs	(43.20)	-13.0%	(42.40)	-14.4%
Operating profit (EBIT)	22.10	6.7%	20.00	6.8%
Net financial income (expense)	(3.50)	-1.1%	(3.10)	-1.1%
Profit (loss) from investments accounted for using the equity method	-	0.0%	-	0.0%
Taxes	(6.00)	-1.8%	(5.60)	-1.9%
Profit (loss) pertaining to non-controlling interests	(3.20)	-1.0%	(2.00)	-0.7%
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	9.40	2.8%	9.30	3.2%
EBITDA	33.20	10.0%	29.60	10.1%

31.03.2018 vs. 31.03.2017

IMA	31/03/2018		31/03/2017		% 31/12/2017	
Euro/Million						
Trade receivables	391.20		318.10		325.20	
Inventories	336.80		315.20		309.70	
Trade payables	(482.30)		(436.50)		(502.60)	
Other, net	(93.60)		(106.00)		(105.50)	
Net working capital	152.10	26.8%	90.80	19.2%	26.80	6.1%
Property, plant and equipment	96.20		91.00		95.10	
Intangible assets	365.70		326.80		362.20	
Investments	44.10		33.70		44.00	
Non-current assets	506.00	89.2%	451.50	95.4%	501.30	113.8%
Severance obligations and other provisions	(90.70)		(68.90)		(87.50)	
Net investet capital	567.40	100.0%	473.40	100.0%	440.60	100.0%
Net debt	165.30	29.1%	190.20	40.2%	50.10	11.4%
Non-controlling interests	24.60		16.60		21.30	
Group equity attributable to equity holders of the parent	377.50	66.5%	266.60	56.3%	369.20	83.8%
Total sources of financing	567.40	100.0%	473.40	100.0%	440.60	100.0%

Appendix

2017 RESULTS

31.12.2017 vs. 31.12.2016

IMA	2017	%	2016	%	change %
Euro/million					
Revenue	1,444.73	100.0%	1,310.85	100.0%	10.2%
Cost of sales	(903.46)	-62.5%	(830.26)	-63.3%	8.8%
Industrial gross profit	541.27	37.5%	480.59	36.7%	12.6%
R&D costs	(53.99)	-3.7%	(48.15)	-3.7%	12.1%
Commercial and sales costs	(142.80)	-9.9%	(128.12)	-9.8%	11.5%
General and administrative costs	(166.01)	-11.5%	(157.05)	-12.0%	5.7%
Operating profit (EBIT) before non-recurring items	178.47	12.4%	147.27	11.2%	21.2%
Non-recurring items	(13.25)	-0.9%	(5.93)	-0.5%	123.4%
Operating profit (EBIT)	165.22	11.4%	141.34	10.8%	16.9%
Net financial income (expense)	(15.92)	-1.1%	6.28(*)	0.5%	-353.5%
Profit (loss) from investments accounted for using the equity method	1.28	0.1%	1.53	0.1%	-16.3%
Taxes	(51.16)	-3.5%	(47.76)	-3.6%	7.1%
Profit (loss) attributable to non-controlling interests	(13.83)	-1.0%	(7.85)	-0.6%	76.2%
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	85.59	5.9%	93.54	7.1%	-8.5%
EBITDA BEFORE NON-RECURRING ITEMS	220.52	15.3%	185.08	14.1%	19.1%
EBITDA	207.27	14.3%	179.15	13.7%	15.7%

(*) including € 18.7 millions income from exercise of the option of Dairy&Food business

31.12.2017 vs. 31.12.2016

IMA	2017	%	2016	%
Euro/Million				
Trade receivables	325.23		308.91	
Inventories	309.69		278.91	
Trade payables	(502.61)		(476.82)	
Other, net	(105.49)		(107.58)	
Net working capital	26.82	6.1%	3.42	0.9%
Property, plant and equipment	95.09		88.17	
Intangible assets	362.16		332.77	
Investments	44.03		26.02	
Non-current assets	501.28	113.8%	446.96	120.8%
Severance obligations and other provisions	(87.52)		(80.26)	
Net invested capital	440.58	100.0%	370.12	100.0%
Net debt	50.05	11.4%	99.94	27.0%
Non-controlling interests	21.31		14.64	
Group equity attributable to equity holders of the parent	369.22	83.8%	255.54	69.0%
Total sources of financing	440.58	100.0%	370.12	100.0%

31.12.2017 vs. 31.12.2016

IMA	2017	%	2016	%
Euro/Million		on sales		on sales
Trade receivables	325.23	22.5%	308.91	23.6%
Inventories	309.69	21.4%	278.91	21.3%
Trade payables	(336.55)	(23.3%)	(306.15)	(23.4%)
Advances from customers	(166.06)	(11.5%)	(170.67)	(13.0%)
N.O.W.C.	132.31	9.2%	111.00	8.5%

31.12.2017 vs. 31.12.2016

IMA - CASH FLOW	2017	2016
Euro/Million		
EBIT	165,22	141,34
Depreciation and amortization	42,05	37,81
Capital expenditure	(36,88)	(35,90)
Change in working capital	(13,91)	6,17
Change in other assets/liabilities	(11,28)	19,34
Operating cash flow	145,20	168,76
Net financial charges	(15,92)	(12,41)
Income taxes	(51,16)	(47,76)
Cash flow from operations	78,12	108,59
Acquisitions	(55,13)	(70,03)
Disposals	103,11	8,10
Cash flow from extraordinary operations	47,98	(61,93)
Dividends	(73,37)	(59,70)
Other changes in net equity	(8,32)	(3,85)
Change in scope of consolidation	5,48	(10,60)
Capital increase	-	90,67
Change in net financial position	49,89	63,18
Opening net financial position	99,94	163,12
Closing net financial position	50,05	99,94

<i>Euro/Million</i>	Tea, Food & Other		Pharmaceutical		Tobacco packaging		Not allocated		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	727.1	658.7	565.8	551.7	151.8	100.4			1,444.7	1,310.8
EBITDA before non-recurring items	62.5	61.0	95.0	83.9	63.0	40.2			220.5	185.1
<i>% on sales</i>	8.6%	9.3%	16.8%	15.2%	41.5%	40.0%			15.3%	14.1%
Ebit	20.1	28.3	83.9	73.3	61.2	39.7			165.2	141.3
<i>% on sales</i>	2.8%	4.3%	14.8%	13.3%	40.3%	39.5%			11.4%	10.8%
Net invested capital (*)	340.2	274.1	83.9	103.2	2.6	(13.0)	13.9	5.8	440.6	370.1
Backlog	254.0	243.7	502.4	433.9	110.4	88.6			866.8	766.2
<i>% change vs 2016</i>	4.2%		15.8%		24.6%				13.1%	
Orders	722.2	635.3	634.4	592.1	173.6	131.7			1,530.2	1,359.1
<i>% change vs 2016</i>	13.7%		7.1%		31.8%				12.6%	

(*) 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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