

Company results

Innovative Automatic Machine System Solutions

INVESTOR RELATIONS

3rd QUARTER 2015 RESULTS

- 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
- About 4,600 employees, more than 2,300 of whom based abroad (YTD)
- In 2014 € 854.6 millions worldwide sales, of which about 91% outside Italy
- World-wide sales and service network
- About 1,300 patents worldwide
- Listed on the Milan Stock Exchange since 1995 and starting from 2001 at the STAR segment

COMPETITIVE ADVANTAGES

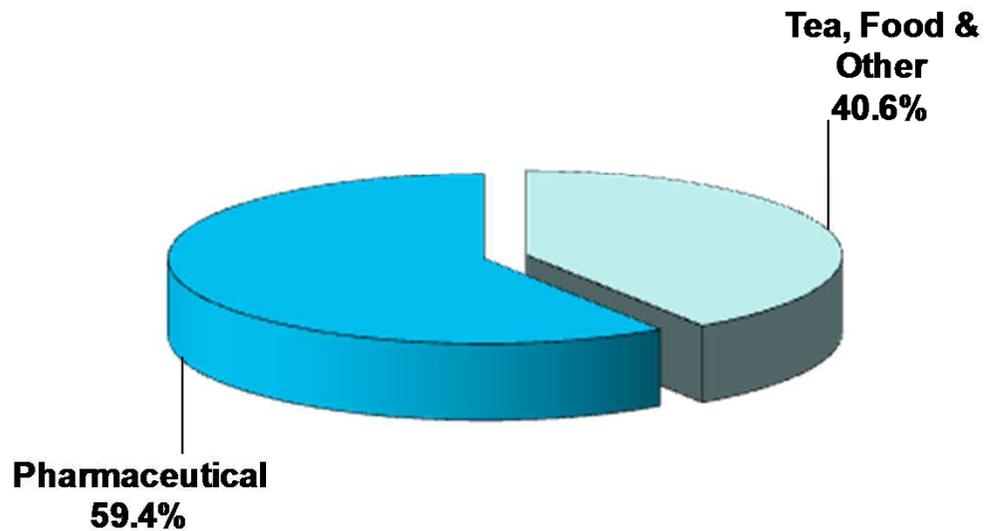
- Cutting-edge R&D laboratories
- Continuous product innovation
- A winning business model
- High customer loyalty
- Excellent positioning thanks to an extensive customer service network and a full product range to offer
- High barriers to market entry

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*

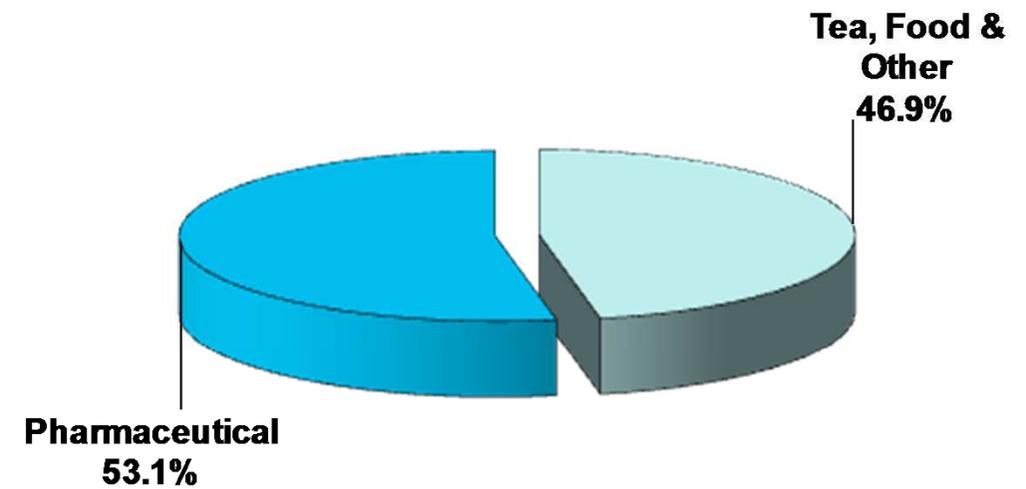
2013

Total sales: € 760.9 million



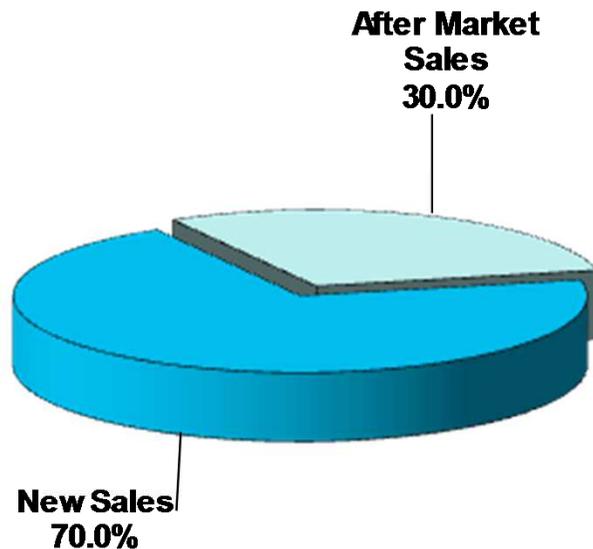
2014

Total sales: € 854.6 million

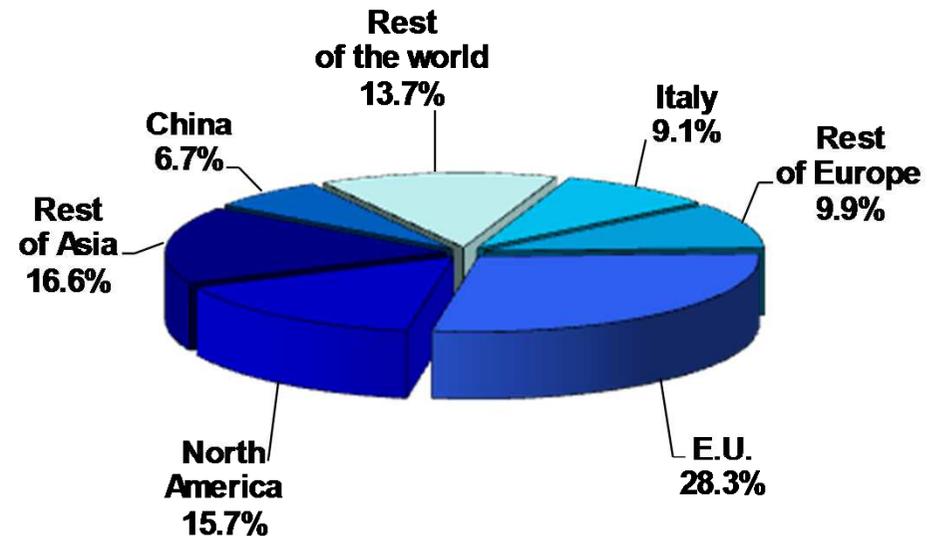


- Significant share of the Group's earnings generated by after-sale services, spare parts and equipment, which are higher-margin and recurring in nature (30% of overall revenues)
- Geographically well diversified revenue sources

Revenues by Nature 2014

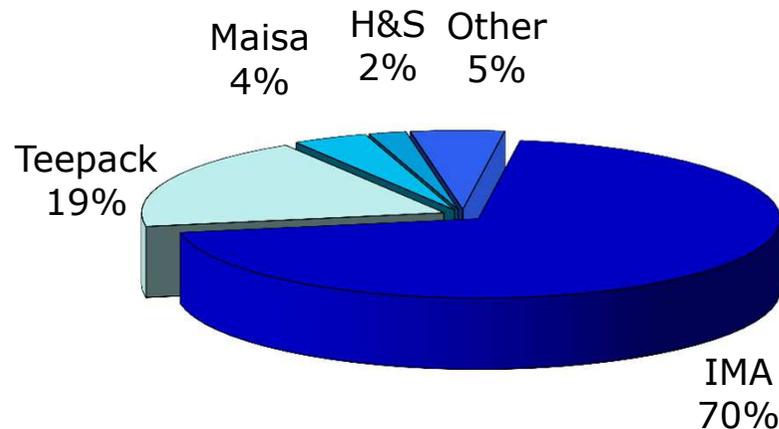


Revenues by Geography 2014



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.



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

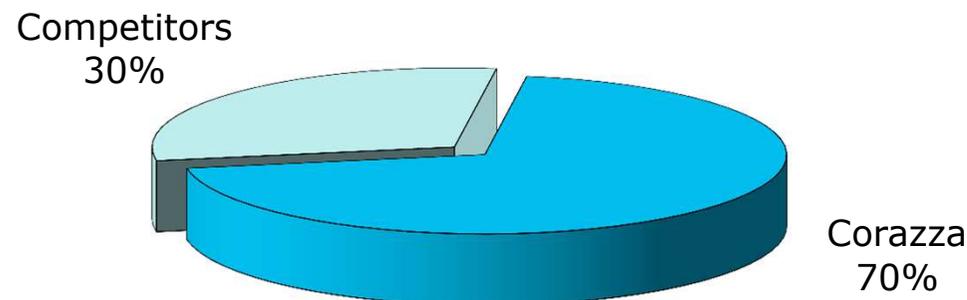


SHIPPING CASE
AND PALLET

Dairy and Convenience Food sector

- **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, Benhil.

Stock Cubes and Dairy Packaging market share



Company estimates

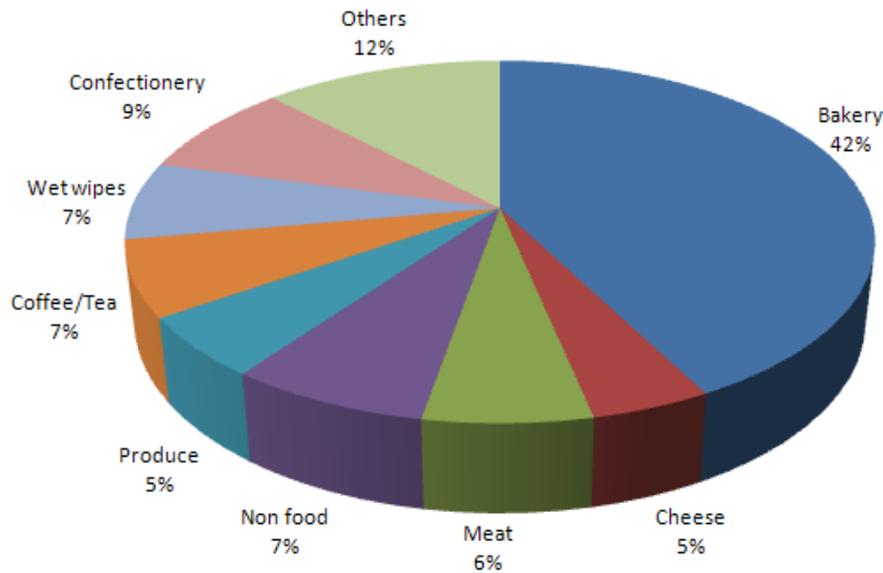
ILAPAK GROUP

Long experience operating in food and non food flexible packaging solutions

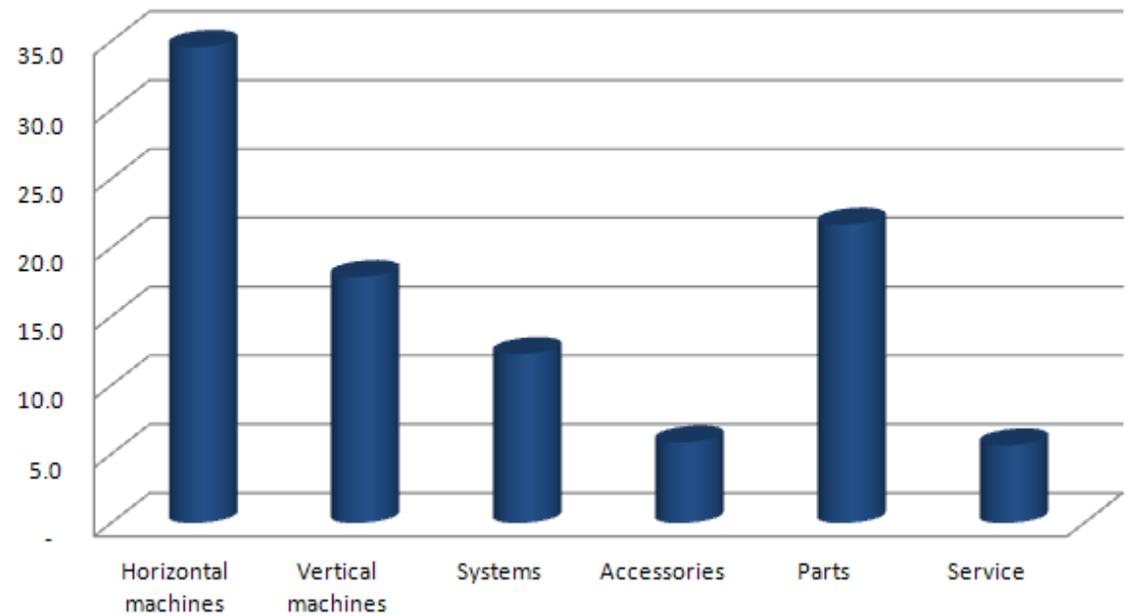
- Wide Horizontal and Vertical Form Fill Seal product range covering the different segment of the market from complete packaging lines to entry level machines
- ILAPAK has a leading position in the bakery, produce, cheese, meat and wet wipe industries
- Unique international sales and service network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

ILAPAK GROUP

Sales by Industry 2014



Sales by products 2014

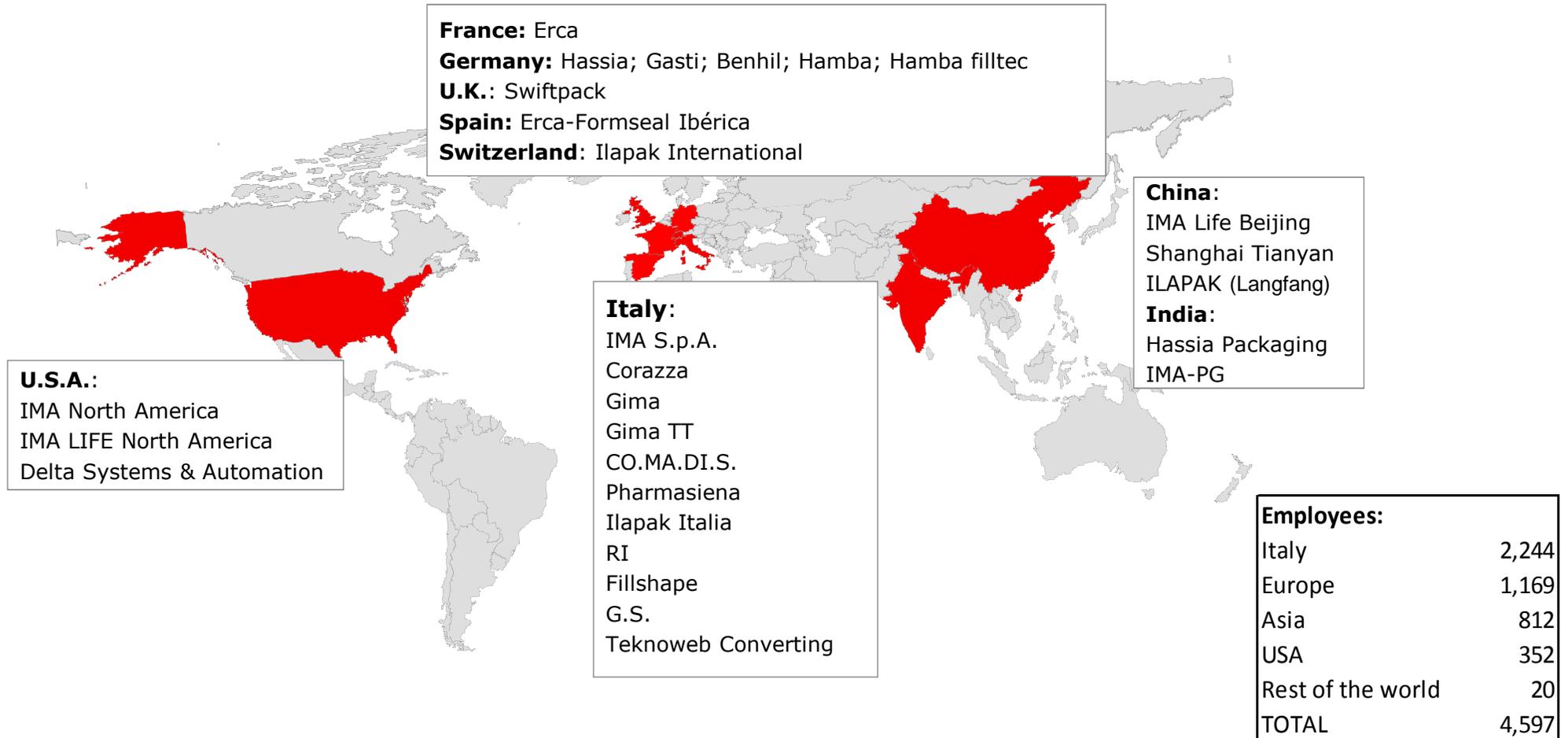


Pharmaceutical sector

- 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

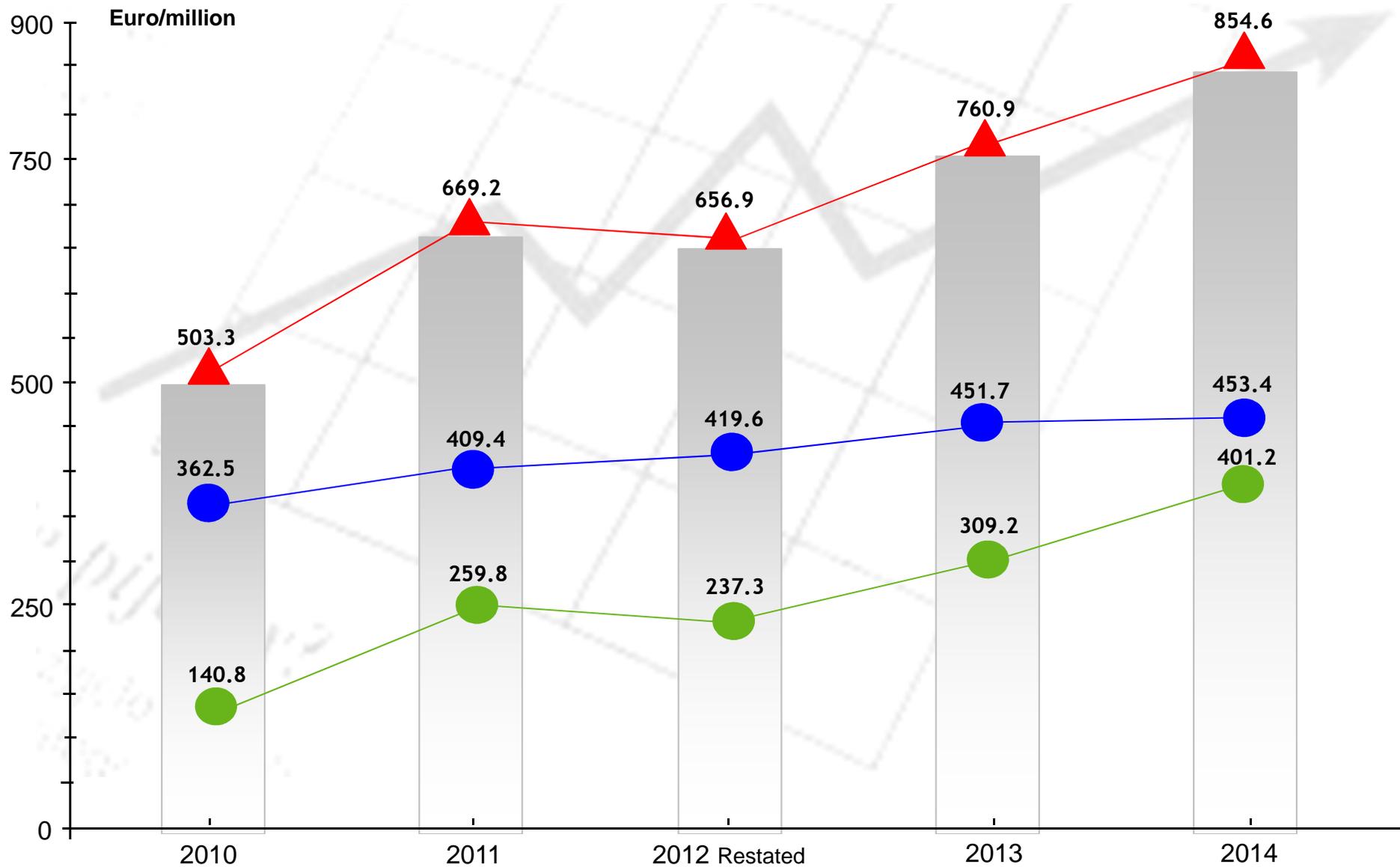
Production Plants

IMA manufactures equipment in 34 production plants located in Italy, Germany, France, Switzerland, Spain, UK, USA, India, China.

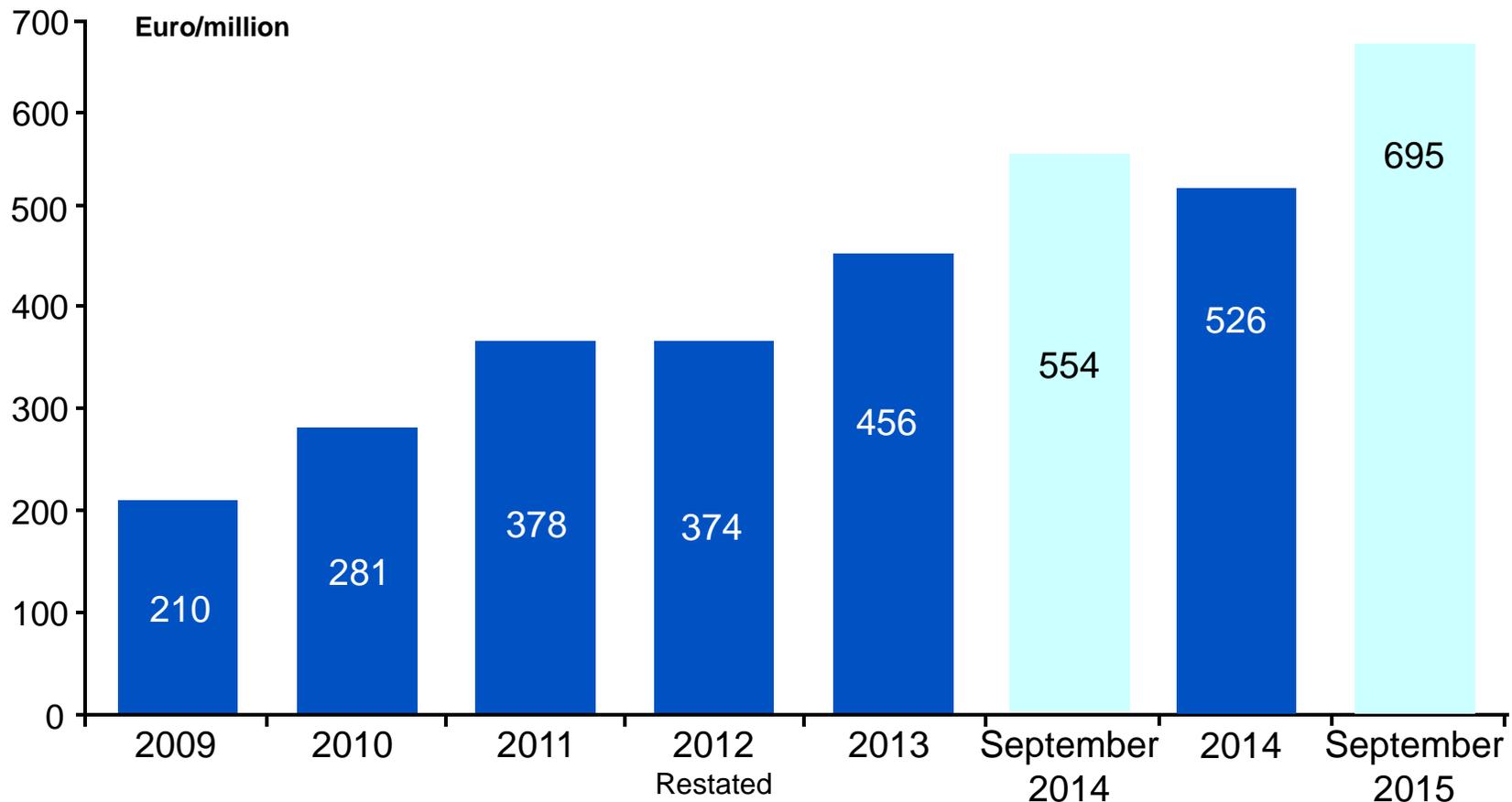


Trend of the sales

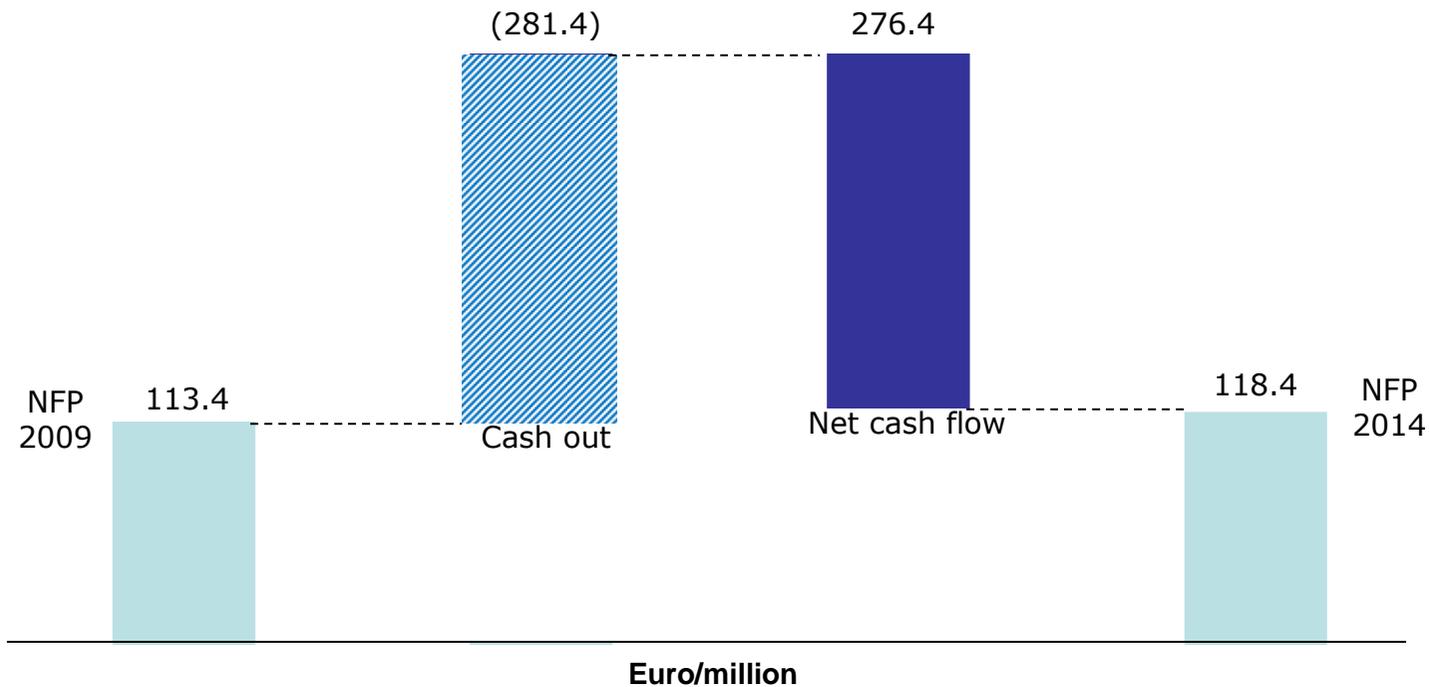
● TEA, FOOD & OTHER ● PHARMACEUTICAL ▲ TOTAL



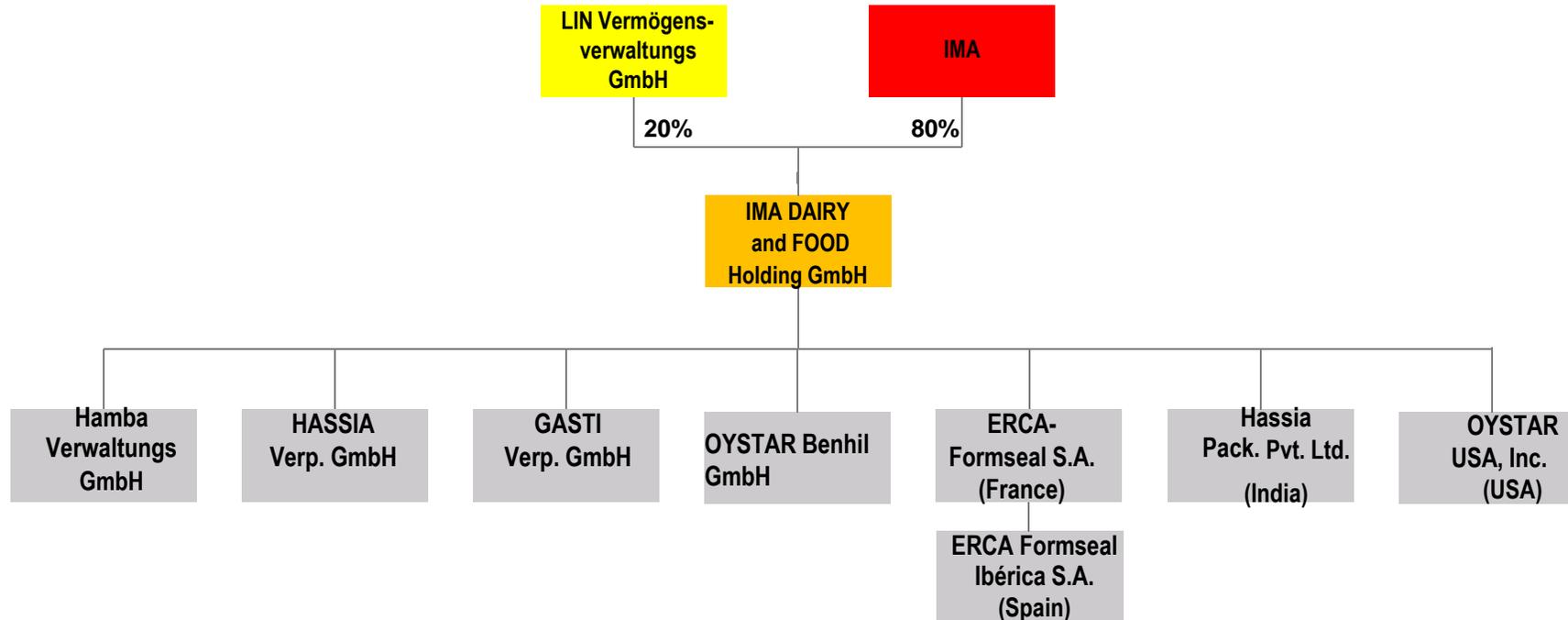
- Strong trend of order acquisition is continuing also in 2015, in both pharmaceuticals and food, with a considerable number of negotiations currently underway
- The order book at September 30, 2015 is 25.4% higher than September 30, 2014 (13.7% with the same scope of consolidation).



2009	Net Financial Position	(113.4)		
	Dividends	(233.7)	}	Net cash out 2010-2014 (281.4)
	Capital Increase	36.0		
	Acquisitions	(154.8)		
	Disposals	71.1		
	Cumulated Cash Flow	276.4	→	2010-2014
2014	Net Financial Position	(118.4)		



- IMA signed an agreement for the acquisition of **five companies BENHIL, ERCA, HASSIA , HAMBА and GASTI** leaders in the **packaging for food industry** , in particular in the **dairy segment**, with **production facilities in Germany, France, Spain and India and a sales and service center in USA**
- IMA acquired initially **80% for an amount of approximately 65 million euros**, on cash free basis expected in the **first quarter 2015**; for the **remaining 20%** IMA signed a **put/call option** to be exercised during **2017/2018**
- Expected **turnover** for the Group is around **165 million euros** and an **EBITDA** of about **15 million euros** for **2015**; Group has approximately **850 employees**.
- With this acquisition **IMA is** enlarging product range in the food industry **positioning** as **one of the most important groups leaders in food packaging**



Segmentation

Dairy represents Company's most important customer industry, followed by the food industry

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

Production sites

Falaise Erca



- > 5,100 m² / 59 employees
- > Assembly of FFS machines

Paris (Les Ulis) Erca



- > 4,000 m² / 104 employees
- > Service, assembly of FFS machines and modifications

Barcelona Erca



- > 2,700 m² / 43 employees
- > Assembly of FFS machines

Pune (India) OYSTAR India



- > 3,753 m² / 110 employees
- > Low cost assembly of standard FFS and FS machines

Neuss Benhil



- > 5,500 m² / 146 empl
- > Assembly of wrapping machinery

Ranstadt Hassia



- > 25,129 m² / 177 employees
- > Assembly of FFS machines for cups and stickpacks (also aseptic; special: steam aseptic)

Schwäbisch Hall Hamba/Gasti

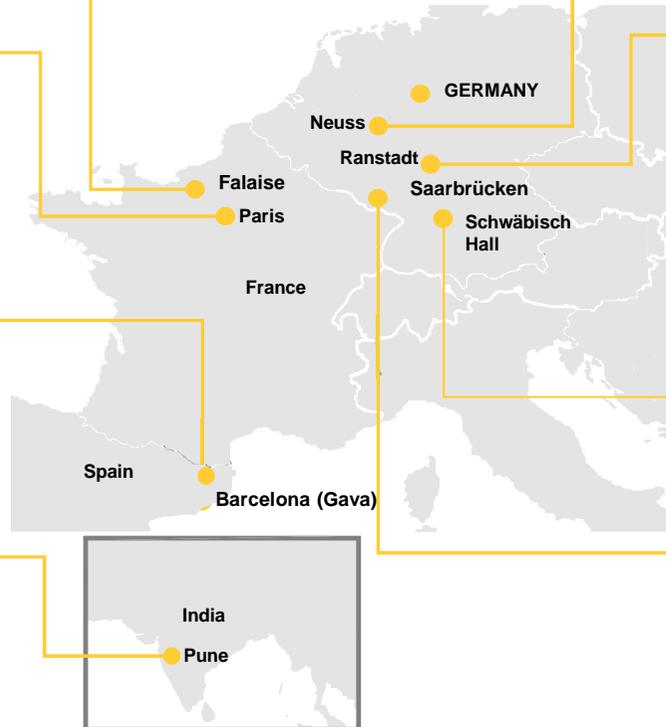


- > 6,340 m² / 67 employees
- > Assembly of aseptic ultraclean filling and closing machines

Saarbrücken Hamba / Gasti



- > 3,600 m² / 71 employees
- > Assembly of aseptic and ultraclean filling and closing machines



Comments

- > Company's manufacturing footprint mainly focuses on Europe.
- > The Group has eight assembly sites in total (four located in Germany, two in France and one in Spain).
- > An additional assembly facility is located in India and acts as a low-cost manufacturing base to serve local markets as well as the mid/lower-end market segments internationally.
- > Personnel at the assembly sites includes design and development staff as well as sales representatives, service technicians and employees working in administration.
- > With more than 50,000 m² of production space, Company covers the entire manufacturing process chain for dairy packaging machinery.
- > Resources can be shared between the individual production sites allowing for peaks to be smoothed by shifting orders between the respective locations (e.g. between Erca and Hassia).



With eight production sites worldwide, Company benefits from one of the broadest manufacturing footprints in the market

3rd QUARTER 2015 RESULTS

<i>Euro/Million</i>	Tea, Food & Other		Pharmaceutical		Unallocated		Total	
	30.09.15	30.09.14	30.09.15	30.09.14	30.09.15	30.09.14	30.09.15	30.09.14
Revenues	371.9	255.7	359.8	316.2			731.7	571.9
EBITDA before non-recurring charges	34.2	32.0	47.7	44.1			81.9	76.1
<i>% on sales</i>	9.2%	12.5%	13.3%	13.9%			11.2%	13.3%
Ebit	8.7	22.3	40.4	36.3			49.1	58.6
<i>% on sales</i>	2.3%	8.7%	11.2%	11.5%			6.7%	10.2%
Net Invested capital (*)	258.2	151.1	151.8	154.5	5.0	19.9	415.0	325.5
Order Backlog	291.3	227.8	404.1	326.5			695.4	554.3
<i>% change vs 2014</i>	27.9%		23.8%				25.4%	
Orders	395.4	301.2	436.6	370.7			832.0	671.9
<i>% change vs 2014</i>	31.3%		17.8%				23.8%	

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

30.09.2015 vs. 30.09.2014

IMA	3rd Quarter 2015	%	3rd Quarter 2014	%
<i>Euro/million</i>				
Revenues	731.70	100.0%	571.90	100.0%
Cost of sales	(457.40)	-62.5%	(333.40)	-58.3%
Gross industrial income	274.30	37.5%	238.50	41.7%
R&D costs	(29.10)	-4.0%	(26.40)	-4.6%
Sales costs	(83.10)	-11.4%	(71.20)	-12.4%
General and administrative costs	(103.80)	-14.2%	(81.10)	-14.2%
Operating profit before non-recurring items (EBITA)	58.30	8.0%	59.80	10.5%
Non-recurring items	(9.20)	-1.3%	(1.20)	-0.2%
EBIT	49.10	6.7%	58.60	10.2%
Net financial income (expense)	(13.40)	-1.8%	(9.80)	-1.7%
Profit (loss) from investments accounted for using the equity method	0.50	0.1%	0.50	0.1%
Taxes	(13.50)	-1.8%	(18.70)	-3.3%
Profit (loss) pertaining to minority interests	(3.60)	-0.5%	(2.30)	-0.4%
GROUP PROFIT	19.10	2.6%	28.30	4.9%
EBITDA BEFORE NON-RECURRING ITEMS	81.90	11.2%	76.10	13.3%
EBITDA	72.70	9.9%	74.90	13.1%

30.09.2015 vs. 30.09.2014

IMA	30/09/2015	%	30/09/2014	%	31/12/2014	%
<i>Euro/Million</i>						
Trade receivables	234.30		158.80		142.60	
Inventories	264.20		242.60		212.80	
Trade payables	(326.40)		(248.30)		(298.20)	
Other, net	(85.10)		(79.00)		(79.80)	
Working capital	87.00	21.0%	74.10	22.8%	(22.60)	-9.6%
Property, plant and equipment	74.40		51.70		53.50	
Intangible assets	317.00		174.50		178.90	
Investments	33.30		31.00		32.00	
Non-current assets	424.70	102.3%	257.20	79.0%	264.40	112.5%
Provision for severance indemnities and other provisions	(96.70)		(5.80)		(6.80)	
Net capital employed	415.00	100.0%	325.50	100.0%	235.00	100.0%
Net debt	295.60	71.2%	238.10	73.1%	118.40	50.4%
Minority interests	12.40		10.50		13.40	
Group equity	107.00	25.8%	76.90	23.6%	103.20	43.9%
Total sources of financing	415.00	100.0%	325.50	100.0%	235.00	100.0%

Appendix

2014 RESULTS

31.12.2014 vs. 31.12.2013

IMA	2014	%	2013	%	change %
<i>Euro/million</i>					
Revenues	854.61	100.0%	760.93	100.0%	12.3%
Cost of sales	(496.41)	-58.1%	(446.77)	-58.7%	11.1%
Gross industrial income	358.20	41.9%	314.16	41.3%	14.0%
R&D costs	(36.22)	-4.2%	(37.00)	-4.9%	-2.1%
Sales costs	(99.29)	-11.6%	(86.10)	-11.3%	15.3%
General and administrative costs	(113.56)	-13.3%	(96.98)	-12.7%	17.1%
Operating profit before writedowns/impairment/ non-recurring items (EBITA)	109.13	12.8%	94.08	12.4%	16.0%
Writedowns/impairment adjustments	-	0.0%	(6.15)	-0.8%	-100.0%
Non-recurring items	(1.22)	-0.1%	(1.29)	-0.2%	-5.4%
EBIT	107.91	12.6%	86.64	11.4%	24.5%
Net financial income (expense)	(18.51)	-2.2%	(9.11)	-1.2%	103.2%
Profit (loss) from investments accounted for using the equity method	1.39	0.2%	1.45	0.2%	-4.1%
Taxes	(34.04)	-4.0%	(30.09)	-4.0%	13.1%
Net profit from discontinued operations/disposal groups	-	0.0%	5.91	0.8%	-100.0%
Profit (loss) pertaining to minority interests	(5.19)	-0.6%	(3.26)	-0.4%	59.2%
GROUP PROFIT	51.56	6.0%	51.54	6.8%	-
EBITDA BEFORE NON-RECURRING ITEMS	131.55	15.4%	113.26	14.9%	16.1%
EBITDA	130.33	15.3%	111.97	14.7%	16.4%

31.12.2014 vs. 31.12.2013

IMA	2014	%	2013	%
<i>Euro/Million</i>				
Trade receivables	142.61		143.31	
Inventories	212.85		204.68	
Trade payables	(298.19)		(262.07)	
Other, net	(79.86)		(66.06)	
Working capital	(22.59)	-9.6%	19.86	7.5%
Property, plant and equipment	53.54		43.26	
Intangible assets	178.89		175.85	
Investments	32.00		29.53	
Non-current assets	264.43	112.5%	248.64	94.5%
Provision for severance indemnities and other provisions	(6.79)		(9.71)	
Net capital employed	235.05	100.0%	258.79	98.4%
Non-financial assets (liabilities) held for sale	-	-	4.31	1.6%
Totale net capital employed	235.05	100.0%	263.10	100.0%
Net debt	118.44	50.4%	130.40	49.6%
Minority interests	13.39		16.88	
Group equity	103.22	43.9%	115.82	44.0%
Total sources of financing	235.05	100.0%	263.10	100.0%

IMA	2014	%	2013	%
<i>Euro/Million</i>				
		<i>on sales</i>		<i>on sales</i>
Trade receivables	142.61	16.7%	143.31	18.8%
Inventories	212.85	24.9%	204.68	26.9%
Trade payables	(163.24)	(19.1%)	(165.09)	(21.7%)
Advances from customers	(134.94)	(15.8%)	(96.98)	(12.7%)
N.O.W.C.	57.28	6.7%	85.92	11.3%

Despite the strong growth in revenues, the Net Working Capital has decreased.

The increase of inventories is linked to the increased year-end order backlog.

31.12.2014 vs. 31.12.2013

IMA - CASH FLOW	2014	2013
<i>Euro/Million</i>		
EBIT	107.91	86.64
Depreciation and amortization	22.41	25.34
Capital expenditure	(31.09)	(18.59)
Change in working capital	28.65	7.45
Change in other assets/liabilities	15.20	(12.56)
Operating cash flow	143.08	88.28
Net financial charges	(18.51)	(7.66)
Income taxes	(34.04)	(30.10)
Cash flow from operations	90.53	50.52
Acquisitions	(37.19)	(15.92)
Disposals	5.23	57.73
Cash flow from extraordinary operations	(31.96)	41.81
Dividends	(47.93)	(82.85)
Other changes in net equity	2.88	1.45
Change in scope of consolidation	(1.56)	(10.66)
Treasury Shares	-	0.80
Change in net financial position	11.96	1.07
Opening net financial position	130.40	131.47
Closing net financial position	118.44	130.40

<i>Euro/Million</i>	Tea, Food & Other		Pharmaceutical		Unallocated		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues	401.2	309.2	453.4	451.7			854.6	760.9
EBITDA before non-recurring charges	68.8	53.7	62.8	59.6			131.6	113.3
<i>% on sales</i>	17.1%	17.4%	13.9%	13.2%			15.4%	14.9%
Ebit	55.9	43.2	52.0	43.4			107.9	86.6
<i>% on sales</i>	13.9%	14.0%	11.5%	9.6%			12.6%	11.4%
Net Invested capital (*)	105.5	125.1	99.1	115.1	30.5	22.9	235.1	263.1
Order Backlog	198.5	182.3	327.4	274.0			525.9	456.3
<i>% change vs 2013</i>	8.9%		19.5%				15.3%	
Orders	417.4	340.7	506.8	478.3			924.2	819.0
<i>% change vs 2013</i>	22.5%		6.0%				12.8%	

(*) Unallocated 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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