

Company results

Innovative Automatic Machine System Solutions

INVESTOR RELATIONS



Star Conference Milan, March 27th 2013

IMA at a glance

- 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
- More than 3,500 employees, more than 1,500 of them based abroad (YTD)
- In 2012 € 734.3 millions worldwide sales, of which more than 92% outside Italy
- World-wide sales and service network
- More than 1,000 patents worldwide
- Listed on the Milan Stock Exchange since 1995 and starting from 2001 at the STAR segment

IMA: a Leading Group

Some of IMA's major customers

Tea, Food & Other:



Pharma:



IMA: a Leading Group

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

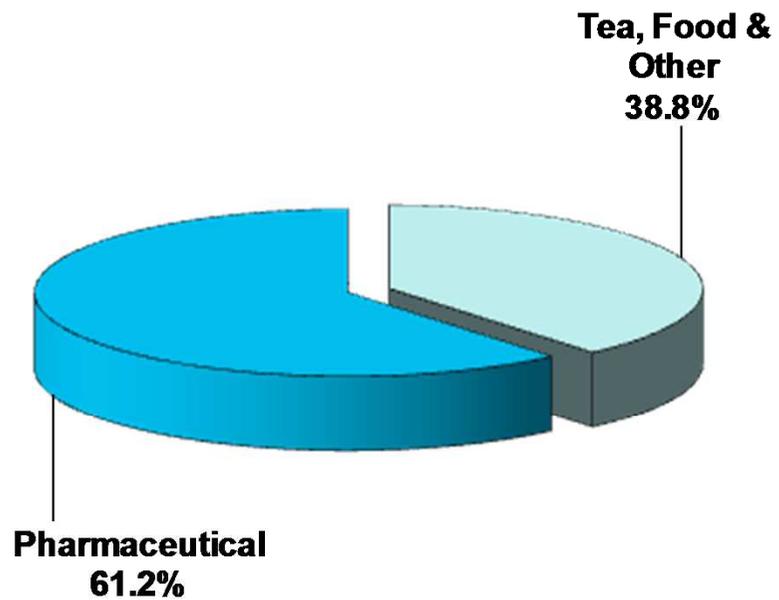
INVESTMENT PROFILE

- 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*

Balanced Offer

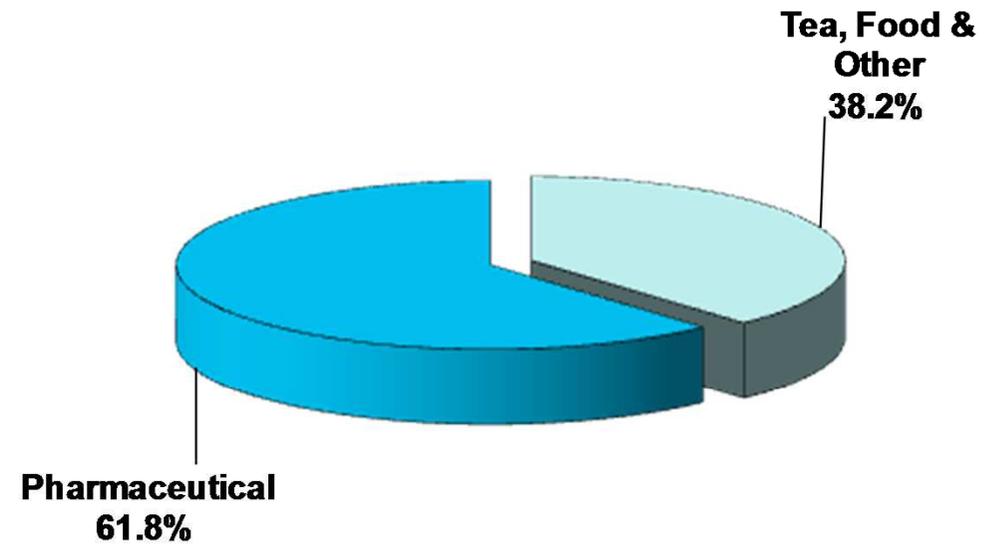
2011

Total sales: € 669.2 milion



2012

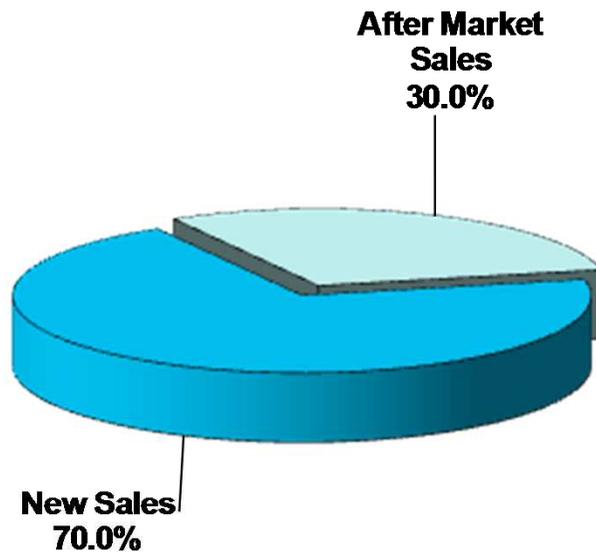
Total sales: € 734.3 milion



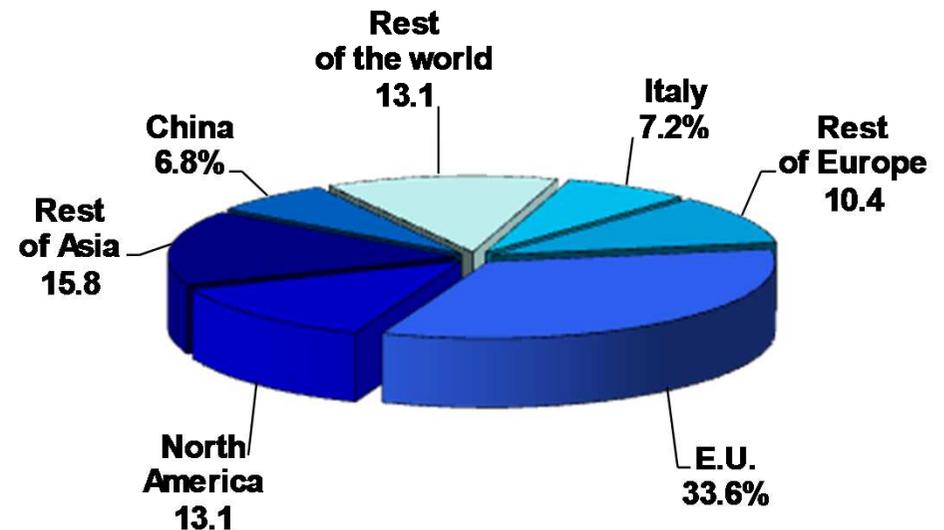
Revenue Sources

- 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 2012



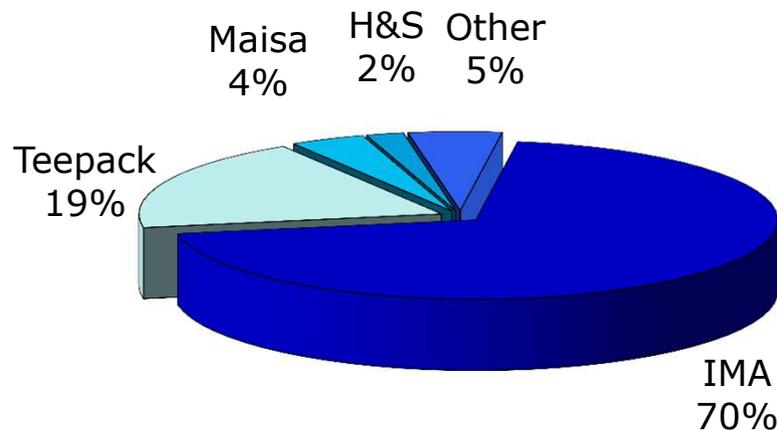
Revenues by Geography 2012



Machinery industry

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

Machinery industry

GIMA SpA

Long experience operating in food, confectionery, beverage, pharmaceutical and assembly packaging solutions.

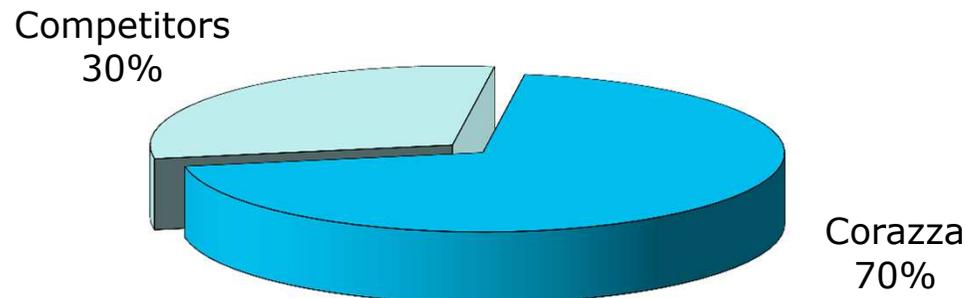
- Coffee single serve packaging machines for thermoformed or injected capsules
- Confectionary packaging solutions for medium and high speed lines for many types of packaging (sleeves, wallets, flip top cartons, push boxes, tin boxes, plastic bottles)
- Assembling technology designed to handle plastic products for all market sectors.

Machinery industry

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, Oystar Benhil.

Stock Cubes and Dairy Packaging market share



Company estimates

Machinery industry

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

IMA: a synthesis of industrial experiences from all over the world

Production Facilities

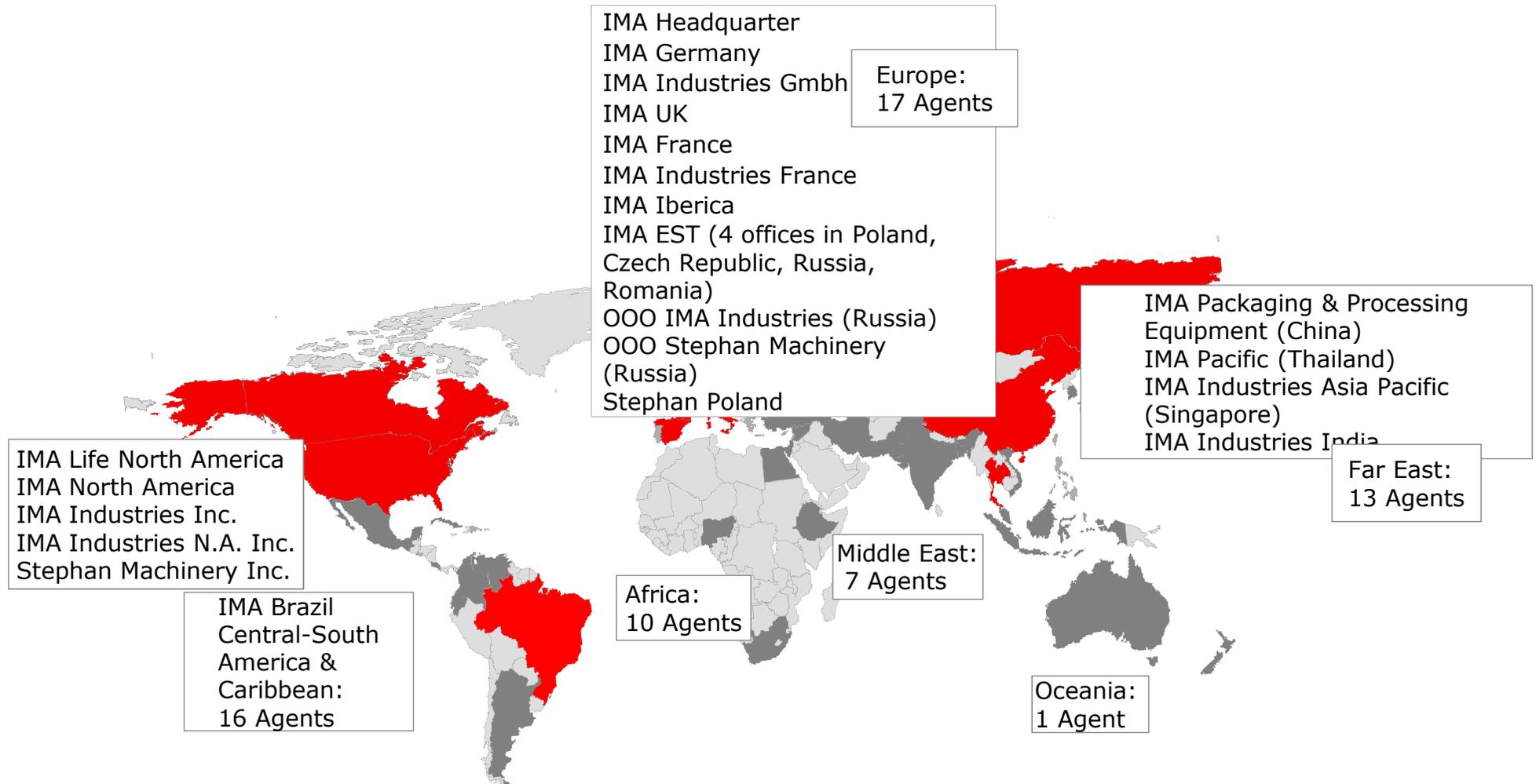
IMA manufactures equipment in 23 production facilities located in Italy, Germany, UK, USA, India, China.



IMA in the world

Sales Representatives

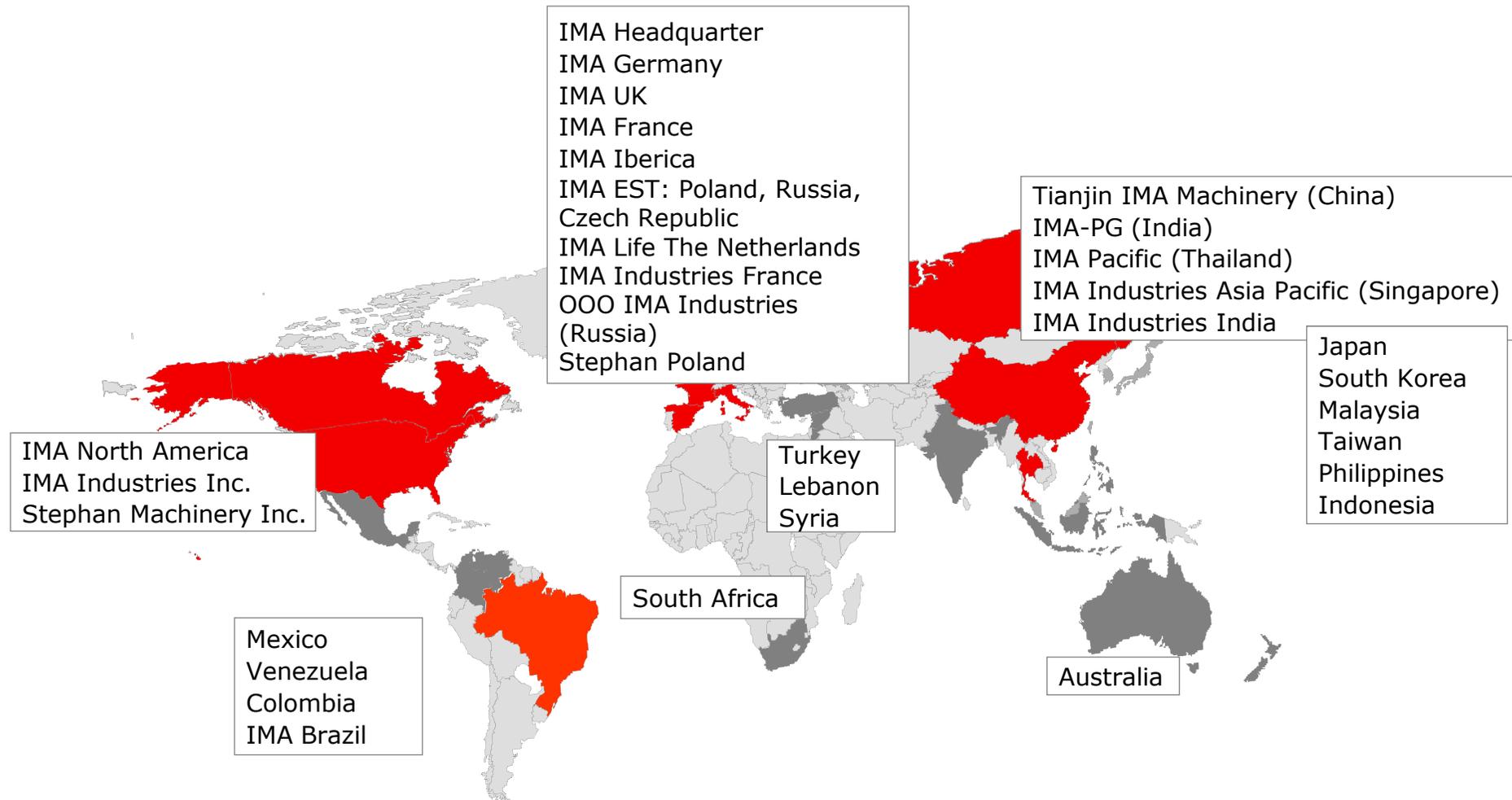
Presence in over 70 countries with headquarters in Italy, 16 branch offices in Europe, North America, South America and Asia, and more than 50 local agents.



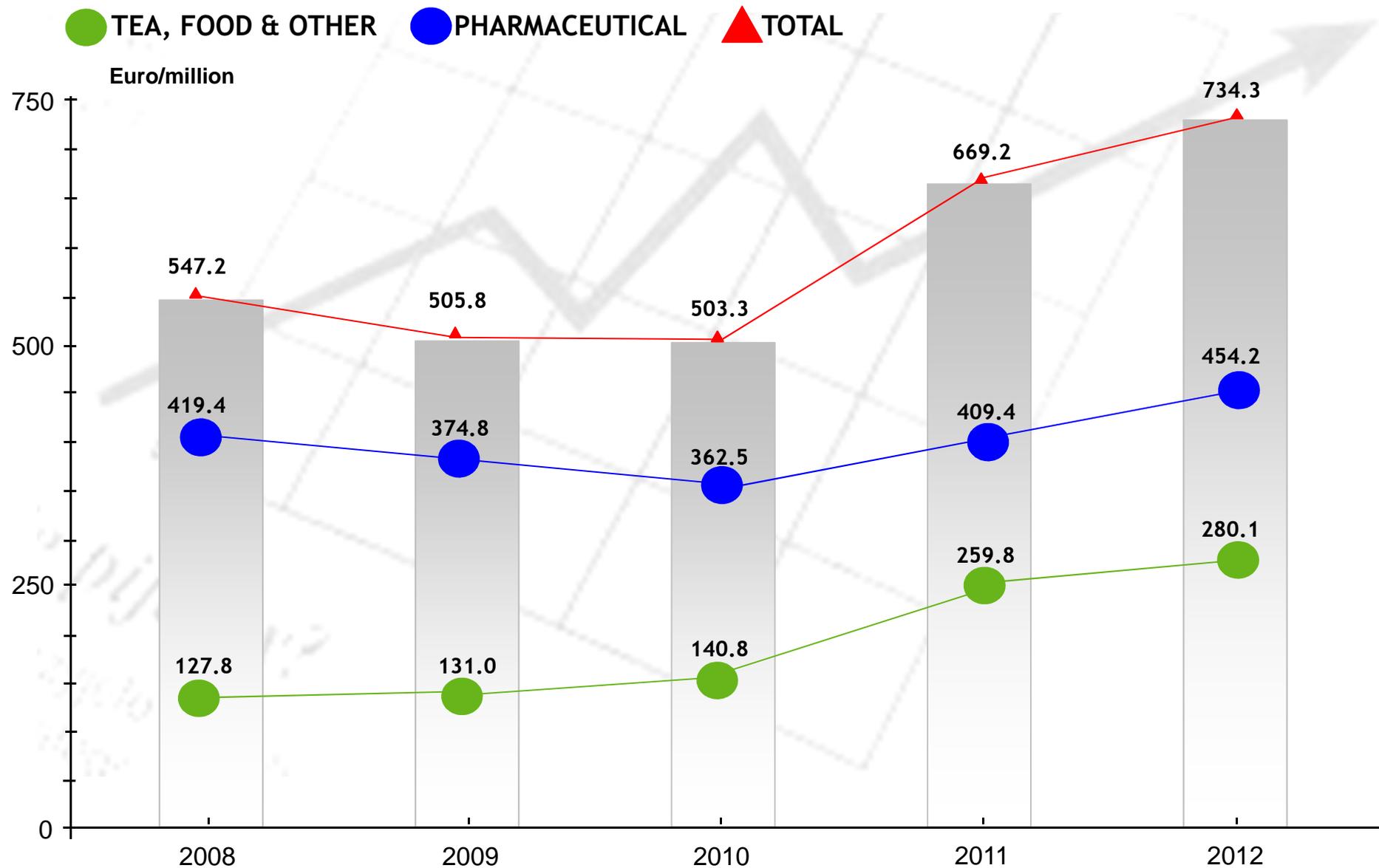
IMA in the world: a global network for high technology selling

After Sales Assistance

IMA provides world-wide technical assistance through its headquarters in Italy, branch offices in Europe, North America, South America and Asia and 15 local agents.

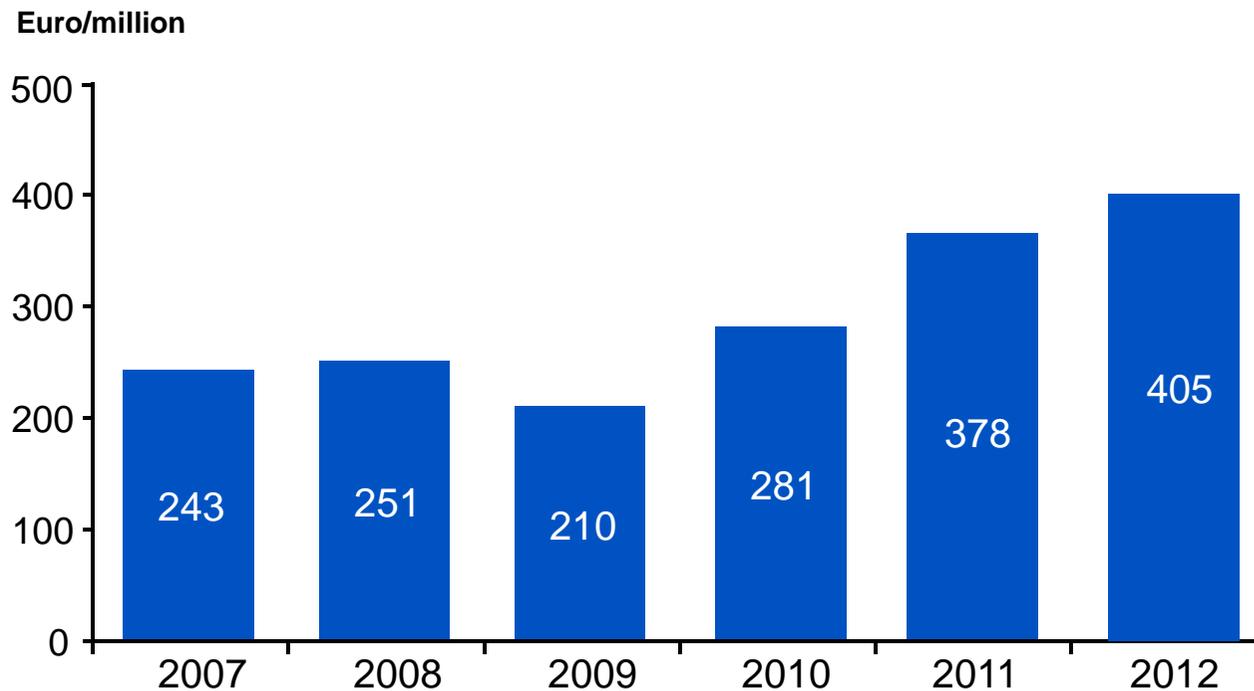


Trend of the sales



Historical Order Book

- Strong trend of order acquisition during the whole 2012 in both pharmaceuticals and food, with a considerable number of negotiations currently underway
- The order book at December 31, 2012 is at € 405 million that compares to € 378 million at December 31, 2011, for a 7.1% increase



2012 RESULTS

Note that figures for 2011 have been restated for the adoption of the revised version of IAS 19 – Employee Benefits

Consolidated income statement

31.12.2012 vs. 31.12.2011 Restated

IMA	2012	%	2011 Restated	%	change %
<i>Euro/million</i>					
Revenues	734.31	100.0%	669.21	100.0%	9.7%
Cost of sales	(429.93)	-58.5%	(398.50)	-59.5%	7.9%
Industrial gross profit	304.38	41.5%	270.71	40.5%	12.4%
R&D costs	(33.69)	-4.6%	(29.07)	-4.3%	15.9%
Selling costs	(88.93)	-12.1%	(80.12)	-12.0%	11.0%
General and administrative costs	(99.37)	-13.5%	(86.95)	-13.0%	14.3%
EBITA	82.39	11.2%	74.57	11.1%	10.5%
Writedowns/impairment of goodwill	(1.78)	-0.2%	(0.43)	-0.1%	314.0%
Non-recurring items	0.00	0.0%	(6.26)	-0.9%	-100.0%
EBIT	80.61	11.0%	67.88	10.1%	18.8%
Net financial income (expense)	(9.71)	-1.3%	(12.01)	-1.8%	-19.2%
Profit (loss) from investments accounted for using the equity method	0.61	0.1%	0.38	0.1%	60.5%
Income tax for the year	(20.91)	-2.8%	(24.19)	-3.6%	-13.6%
Prior year taxes	(1.17)	-0.2%	(2.70)	-0.4%	-56.7%
Profit pertaining to minority interests	(1.73)	-0.2%	(1.14)	-0.2%	51.8%
GROUP PROFIT	47.70	6.5%	28.22	4.2%	69.0%
EBITDA BEFORE NON RECURRING CHARGES	101.42	13.8%	93.01	13.9%	9.0%
EBITDA	101.42	13.8%	86.75	13.0%	16.9%

Consolidated balance sheet

31.12.2012 vs. 31.12.2011

IMA	2012	%	2011	%
<i>Euro/Million</i>				
Trade receivables	129.23		145.68	
Inventories	206.36		201.80	
Trade payables	(212.86)		(209.85)	
Other, net	(63.37)		(54.98)	
Working capital	59.36	20.5%	82.65	27.0%
Property, plant and equipment	32.25		31.11	
Intangible assets	182.54		189.56	
Investments	25.47		23.40	
Non-current assets	240.26	82.9%	244.07	79.7%
Provision for severance indemnities and other provisions	(9.69)		(20.30)	
Net capital employed	289.93	100.0%	306.42	100.0%
Net debt	131.47	45.3%	157.50	51.4%
Minority interests	5.54		3.86	
Group equity	152.92	52.7%	145.06	47.3%
Total sources of financing	289.93	100.0%	306.42	100.0%

Consolidated Net Working Capital

IMA	2012	%	2011	%
<i>Euro/Million</i>		<i>on sales</i>		<i>on sales</i>
Trade receivables	129.23	17.6%	145.68	21.8%
Inventories	206.36	28.1%	201.80	30.2%
Trade payables	(127.80)	(17.4%)	(141.13)	(21.1%)
Advances from customers	(85.06)	(11.6%)	(68.73)	(10.3%)
N.O.W.C.	122.73	16.7%	137.62	20.6%

Note that, despite the strong growth in revenues, the Net Working Capital has decreased.

The increase of Inventories and Advances from customers is linked to the increased year-end order backlog and to different timing of order intake.

Consolidated Cash Flow

31.12.2012 vs. 31.12.2011

IMA - CASH FLOW	2012	2011
<i>Euro/Million</i>		
EBIT	80.61	66.51
Depreciation and amortization	20.82	18.87
Capital expenditure	(15.01)	(14.13)
Change in working capital	14.89	(17.96)
Change in other assets/liabilities	(2.20)	5.20
Operating cash flow	99.11	58.49
Net financial charges	(9.11)	(10.56)
Income taxes	(22.07)	(26.81)
Cash flow from operations	67.93	21.12
Acquisitions	(2.00)	(58.10)
Cash flow from extraordinary operations	(2.00)	(58.10)
Dividends	(36.77)	(33.15)
Other changes in net equity	(2.72)	1.18
Change in scope of consolidation	0.00	(10.90)
Treasury Shares	(0.41)	(0.30)
Capital increase	0.00	36.16
Change in net financial position	26.03	(43.99)
Opening net financial position	157.50	113.51
Closing net financial position	131.47	157.50

Financial Highlights by segment

<i>Euro/Million</i>	<i>Tea, Food & Other</i>		<i>Pharmaceutical</i>		<i>Unallocated</i>		<i>Total</i>	
	<i>2012</i>	<i>2011 Restated</i>	<i>2012</i>	<i>2011 Restated</i>	<i>2012</i>	<i>2011 Restated</i>	<i>2012</i>	<i>2011 Restated</i>
Sales	280.1	259.8	454.2	409.4			734.3	669.2
EBITDA before non-recurring charges	47.5	46.2	53.9	46.8			101.4	93.0
<i>% on sales</i>	<i>17.0%</i>	<i>17.8%</i>	<i>11.9%</i>	<i>11.4%</i>			<i>13.8%</i>	<i>13.9%</i>
Ebit	39.9	36.9	40.7	31.0			80.6	67.9
<i>% on sales</i>	<i>14.2%</i>	<i>14.2%</i>	<i>9.0%</i>	<i>7.6%</i>			<i>11.0%</i>	<i>10.1%</i>
Net Invested capital (*)	105.0	105.3	165.9	189.4	19.0	11.7	289.9	306.4
Order Backlog	140.9	131.2	264.0	246.9			404.9	378.1
Orders	289.8	276.5	471.3	458.5			761.1	735.0

(*) Unallocated assets and liabilities are mainly related to investments which cannot be allocated accurately to the above divisions.

Stephan Machinery business

Dairy and Convenience Food sector

Stephan Machinery GmbH produces process machinery and engineering/ automation solutions for different fields of application, such as Dairy, Convenience Food, Meat and Confectionery.

The 22nd of March 2013 was signed an agreement with a leading German private equity company (Deutsche Beteiligungs AG), subject to authorization from Antitrust Authorities, to sell the investment in Stephan Machinery GmbH.

The equity value of the investment is 40.4 million euros, to be settled at the closing.

Pro-forma Consolidated income statement

Euro/Million	ACTUAL 2012				
	TEA & FOOD	Stephan contribution	TEA & FOOD without Stephan	FARMA	Consolidated PRO FORMA
Revenues	280.1	42.9	237.2	454.2	691.4
Industrial gross profit	118.1	18.5	99.6	171.8	271.4
% on net sales	42.2%	43.1%	42.0%	37.8%	39.3%
EBITA (before non recurring charges)	40.2	5.6	34.6	42.2	76.7
% on net sales	14.4%	13.1%	14.6%	9.3%	11.1%
Non recurring charges	(0.3)	0.0	(0.3)	(1.5)	(1.8)
EBIT	39.9	5.6	34.3	40.7	75.0
% on net sales	14.4%	13.1%	14.5%	9.0%	10.8%
EBITDA	47.5	6.1	41.5	53.9	95.4
% on net sales	17.0%	14.1%	17.5%	11.9%	13.8%
EBITDA (before non recurring charges)	47.5	6.1	41.5	53.9	95.4
% on net sales	17.0%	14.1%	17.5%	11.9%	13.8%

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