



H1 2018 Results

August 3, 2018

Disclaimer

This document has been prepared by GIMA TT S.p.A. ("GIMA TT" or the "Company") for information purposes only and for use in presentations of the Company's results and strategies. The data and information contained herein have not been independently verified.

For further details on GIMA TT reference should be made to publicly available information, including the Annual Report and the Semi-Annual and Quarterly Reports.

No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein.

None of the Company or its directors, employees, agents, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) to any other person to whom this presentation is shown or into whose hands it may come for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document and any such responsibility or liability is expressly disclaimed.

Certain statements in this presentation constitute or may constitute forward-looking statements. Any statement in this presentation that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is or may be a forward-looking statement. Such forward-looking statements have been prepared on the basis of a number of assumptions which may prove to be incorrect and are subject to risks and uncertainties that may cause actual results to differ materially from those projected or implied in any forward-looking statement. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this document. As a result, you are cautioned not to place any reliance on such forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of this presentation and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this document should be construed as a profit forecast or profit estimate.

This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

The material in this document is not provided for tobacco product advertising or promotional purposes. This material does not constitute and should not be construed as constituting an offer to sell, or a solicitation of an offer to buy, any tobacco products.

The information herein may not be reproduced or published in whole or in part, for any purpose, or distributed to any other party.

By accepting this document you agree to be bound by the foregoing limitations.

A large, modern glass-walled building with a red banner overlay. The building is multi-storied and features a grid of windows. The foreground is filled with tall grass. The sky is bright and cloudy. A red banner with a curved bottom edge is positioned across the middle of the image, containing the text "Introduction to GIMA TT" in white.

Introduction to GIMA TT

GIMA TT key people



Sergio Marzo

Chairman

- 18 years with IMA
- 18 years in the industry
- IMA CFO since 2007



Fiorenzo Draghetti

Chief Executive Officer

- 8 years with GIMA TT
- 35+ years in the industry
- Previous experience: G.D S.p.A.



Stefano Cavallari

*Executive Director
General Manager*

- 8 years with GIMA TT
- 35+ years in the industry
- Previous experience: G.D S.p.A. / ACMA S.p.A. / CT PACK S.p.A.



Andrea Zecchini

Commercial Director

- 5 years with GIMA TT
- 25+ years in the industry
- Previous experience: G.D S.p.A. / ACMA S.p.A. / CT PACK S.p.A.



Marco Savini

*Chief Financial Officer
and Investor Relator*

- In GIMA TT since June '17
- 20+ years in the industry
- Previous experience: Equita SIM / Citigroup

GIMA TT at a glance

Core activity

Design and assembly of automatic electronic-based **packaging lines**

Product families

- **Original Equipment**
- **After-sales**

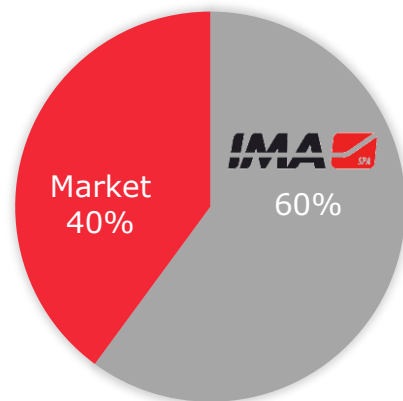
End-market

Tobacco: conventional tobacco products and New Generation Products ("NGP")

HQs

Ozzano dell'Emilia, **Bologna** (Italy)

Shareholding

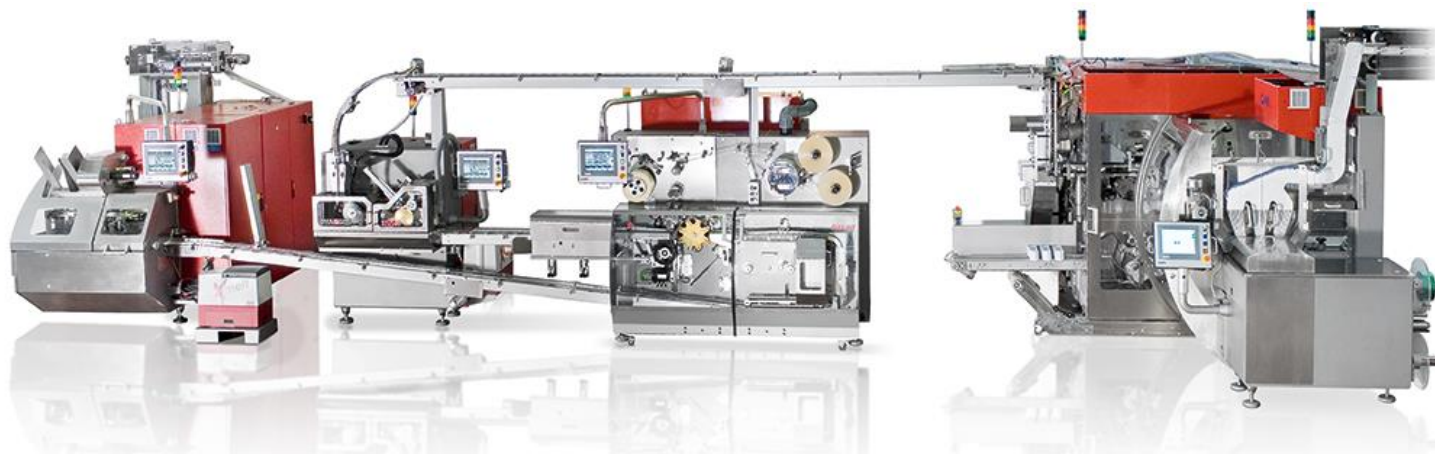


Board of Directors

7 Board Members:

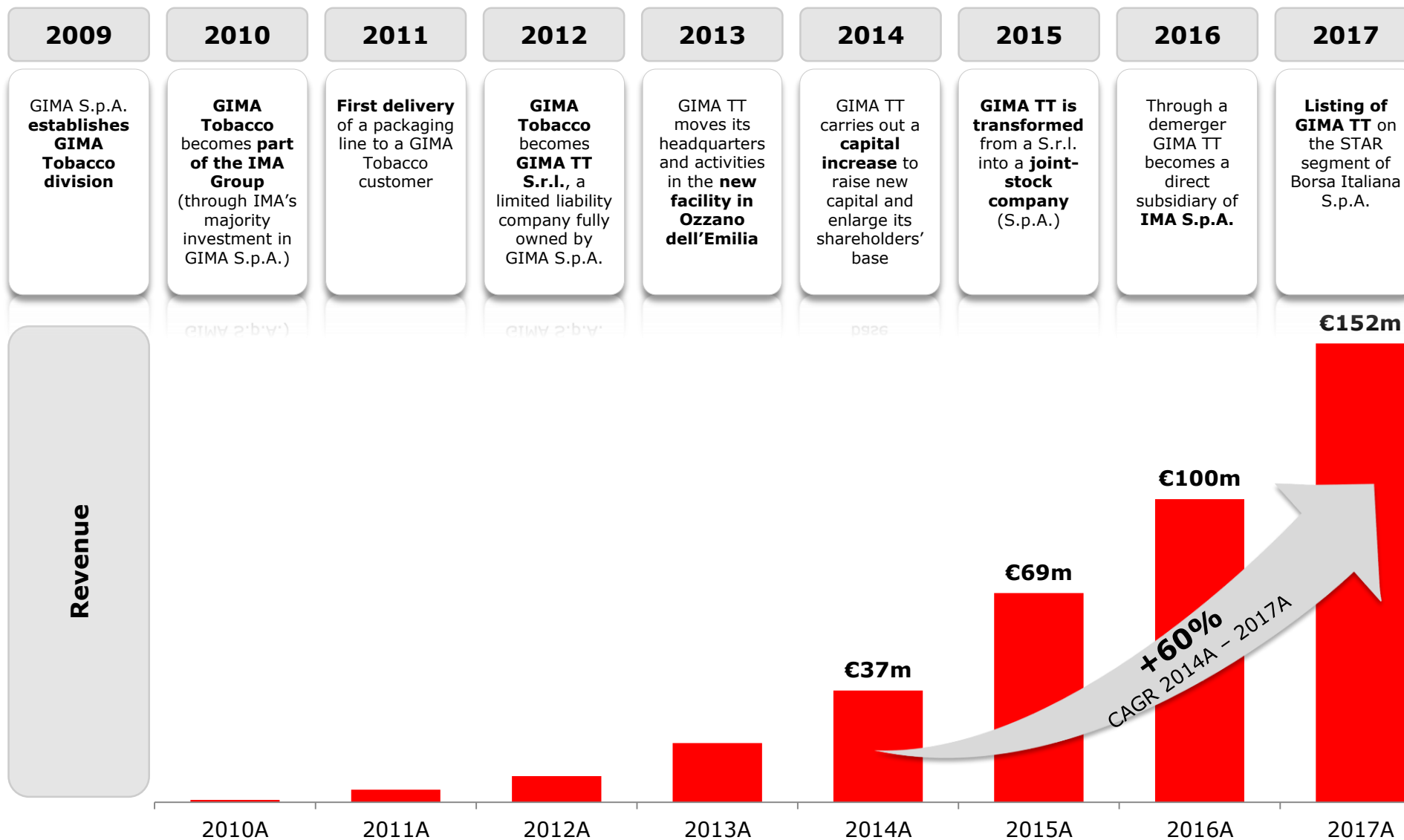
- Sergio Marzo - Chairman
- Fiorenzo Draghetti - Chief Executive Officer
- Stefano Cavallari - Executive Director
- **4 Independent** and Non-Executive Directors

GIMA TT Flex Line



Source: Company information

Corporate milestones



Source: Company information

Innovative, flexible and highly customized machinery solutions for conventional tobacco and NGP

Changing longstanding industry paradigms: from "PERFORMANCE ONLY" to "FLEXIBILITY" ...
... setting new industry benchmarks in terms of fast complete changeover and extended format range

Machines for conventional tobacco products and NGP

Flex A



- Hinge lid cigarette **packer** machine
- Packets range: from 10 to 50 cigarettes

Flex-B



- **Section to be added to Flex-A** in case of special cigarette packets

Flex ST



- **Stamper** machine able to apply the governmental stamp in any packet position or orientation

Flex WF



- **Wrapping** machines designed to wrap with polypropylene the cigarette packets

Flex CO



- End-of-line **cartoner** overlapping display cartons with sealable materials

Machines for NGP only (leveraging on know-how inherited from IMA's pharma expertise)

Assembly lines for electronic cigarettes



- **Assembly** lines of components that are engaged, sealed or glued, with sensors and cameras for quality checks

Process machines for liquid or powder



- **Mixing, granulating, feeding and storing powder**

Filling machines for Liquid and Powder



- Liquid and powder **fillers** (rotary or linear) with labeling/capping units

Primary packaging



- **Blister** packaging or product flow packing using robotized feeding systems or feeders from bulk

Secondary packing



- **Packing** cartons starting from pre-glued blanks (side-loading cartoner) or from flat-blanks (wrap around cartoner)

Source: Company information

Broad range of after-sales services



Change parts, more than 50 different packet formats developed in close cooperation with customers enabling machine flexibility



Technical assistance through both (i) secure remote connection for maintenance, repairs and different customizations and (ii) on-site services provided in a relatively short timeframe for special needs, major maintenance, repair and upgrades



Improvement kits, enhancing installed machines performance



Ordinary and extraordinary **spare parts**



Engineering services



Training activities and workshops for customers' mechanical and electrical technicians

A unique investment opportunity

1 Resilient and profitable end-market with young and fast-growing NGP segment

2 Innovative flexible machinery solutions for conventional tobacco and NGP, setting new industry benchmarks

3 Solid business model anchored to established and well-preserved relationships

4 Unique combination of exceptional growth, profitability and cash flow generation

5 Untapped market potential offering multiple growth opportunities

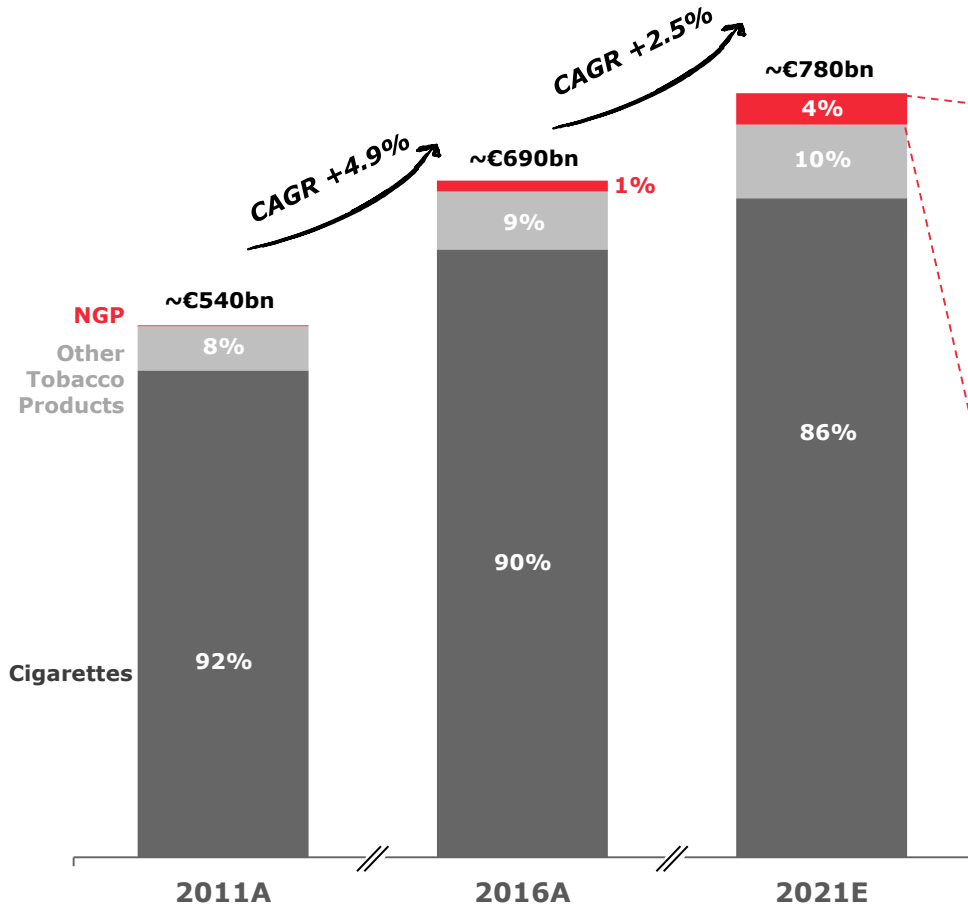
Orchestrated by long standing, experienced and committed management team, exploiting a solid know-how in industrial automation

A large, modern glass-walled building is shown from a low angle, extending into the distance. The building's facade is composed of numerous rectangular glass panels framed by dark metal. The sky above is bright and slightly overcast. In the foreground, there is a field of tall, green grass or crops, which is slightly out of focus. A prominent red banner with a curved bottom edge is superimposed over the middle of the image, containing the text 'Tobacco market trends' in white.

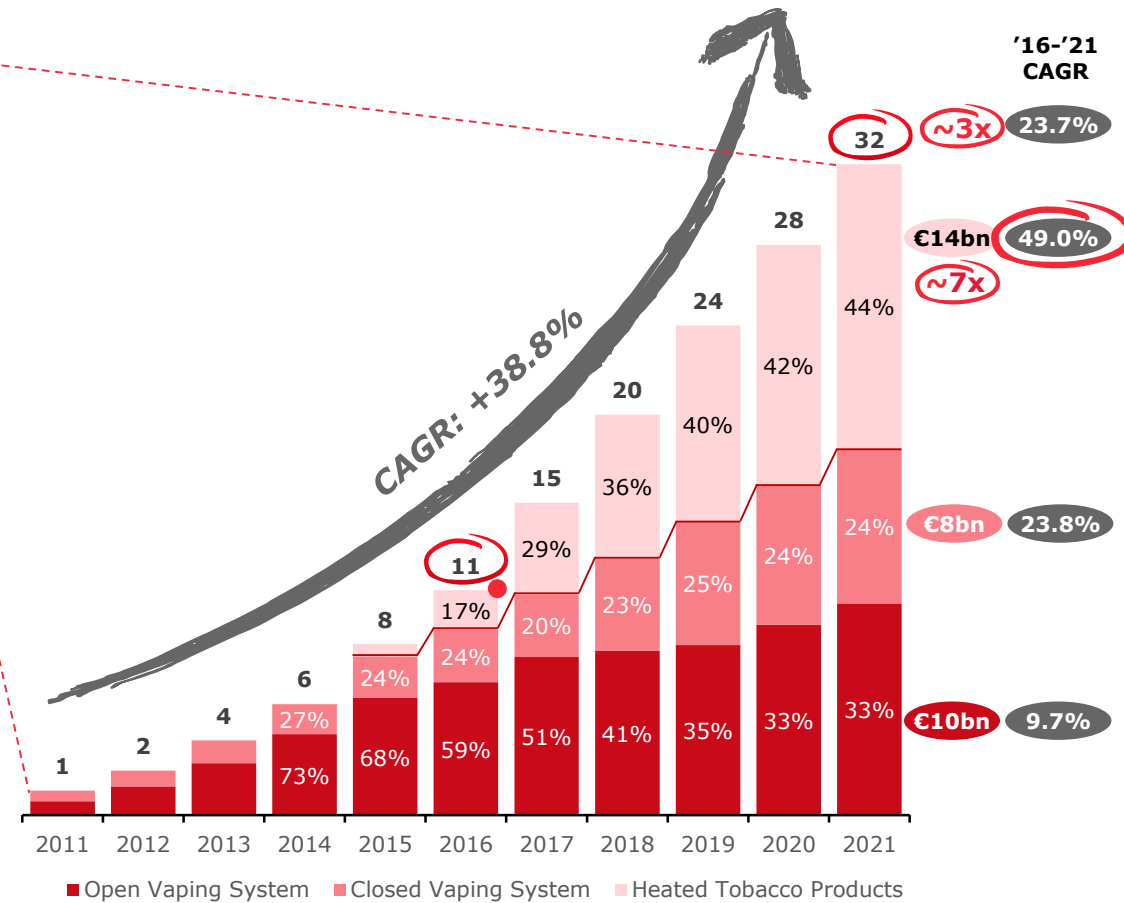
Tobacco market trends

NGPs are emerging as the fastest growing segment in the tobacco market

Global Tobacco Retail Value by product



NGP⁽¹⁾ Global Retail Value (€bn)



Source: Euromonitor International

(1) NGPs include open and closed vaping systems and heated tobacco products ("HTP"). Please refer to the Appendix for more information

Increasing acknowledgement that NGPs are significantly less risky

"To the extent that certain products are shown to be less harmful, they could help reduce the overall death and disease toll from tobacco use..."

This is a function of the existence of a continuum of nicotine-delivering products that pose differing levels of risk to the individual."

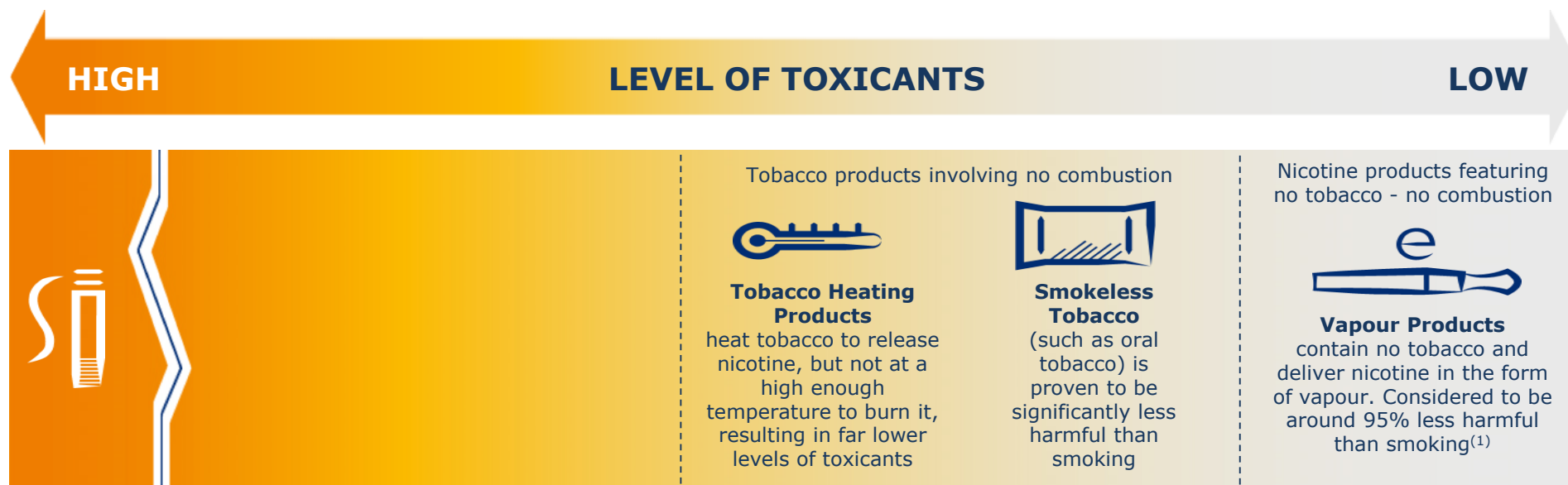
US Food and Drug Administration

"There is approx. a 99% average reduction in the levels of potentially harmful constituents measured in the Ploom TECH vapor compared to cigarette smoke. The use of Ploom TECH does not affect surrounding air quality, we therefore believe that there is no substantial health risks to bystanders associated with its use."

Japan Tobacco


"The Exposure Response Study measured the biological response of people who switch to IQOS for 6 months compared with continued smoking. The study met its primary objective, demonstrating that after 6 months, 8 measures of biological response improved in those who switched to IQOS. Numerous aerosol chemistry and physics measurements demonstrate that IQOS aerosol contains an average of 90-95% lower levels of harmful constituents."

Philip Morris International



Source: British American Tobacco, Japan Tobacco and Philip Morris International websites
(1) E-cigarettes: an evidence update, Public Health England, August 2015

Tobacco majors are supporting the development of new and potentially safer products

Conventional Products	New Generation Products ⁽¹⁾		
	Vaping Systems	Heated Tobacco Products	Examples
   	 	 	   
   			  
   	 		 
   	  		<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; padding: 2px;">Heated Tobacco Products</div> <div style="border: 1px solid black; padding: 2px;">E-Vapor Products</div> </div>    

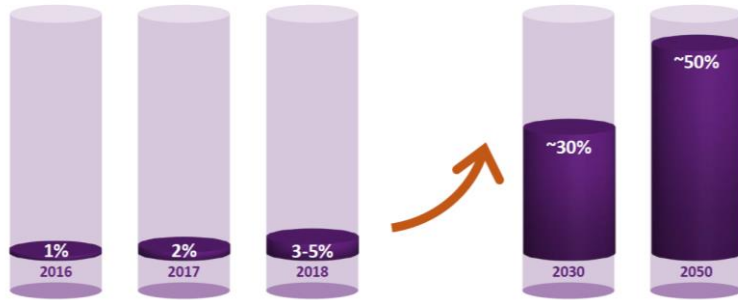
Source: Companies websites

(1) NGPs include open and closed vaping systems and heated tobacco products ("HTP"). Please refer to the Appendix for more information

Tobacco majors are prioritizing their investments on NGPs, envisaging significant growth opportunities

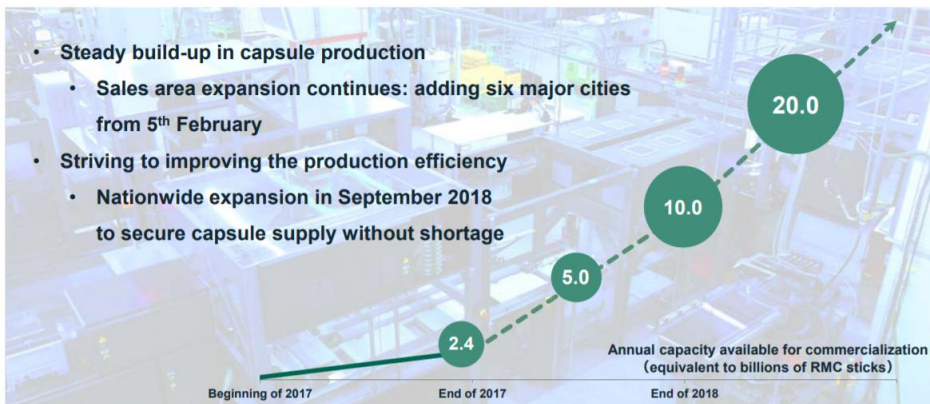
British American Tobacco

Our Objective: NGP ~30% Of BAT Revenue By 2030



Japan Tobacco

Japanese Domestic Tobacco Business – Ploom TECH
Plans for capsule manufacturing capacity and sales expansion



Source: Companies presentations

Imperial Brands

Developing New Consumer Experiences

Our future: realising the NGP opportunity



- EVP is the largest long-term opportunity
- Greater optionality: device, flavour, nicotine
- FY18 – further acceleration of activities
- Developing our product offering
- Expanding our market footprint

Philip Morris International

Smoke-Free Future: PMI Business Transformation



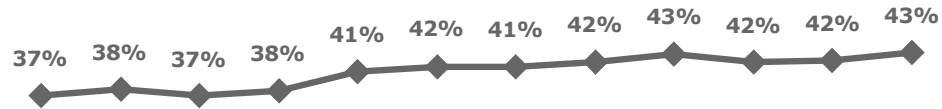
(billion units)	Actual 2017	Aspiration ^(a) 2025
Smoke-Free Product Volume ^(b)	36 Approx. 4% of PMI total volume	>250 >30% of PMI total volume
Smoke-Free Product Net Revenues	\$ 4 billion Approx. 13% of PMI total net revenues	\$17-\$19 billion ^(c) Approx. 38%-42% ^(d) of PMI total net revenues

(a) Assuming constant PMI market share outside China and the U.S. We do not set aspirational targets for R&D and commercial expenditure but we expect both ratios to continue increasing to enable the stated outcome in terms of shipment volume
(b) For 2017, smoke-free products volume includes heated tobacco units only
(c) At today's pricing and excise tax assumptions
Note: Net revenues exclude excise taxes
Source: PMI Financials or estimates, and PMI Communication on Progress 2016 United Nations Global Compact

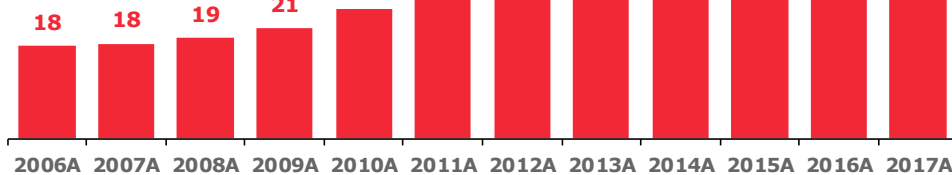
Tobacco majors intense capex and R&D activities progress together with high margins

Tobacco Majors⁽¹⁾ Aggregate EBITDA and Margins

Median EBITDA Margin



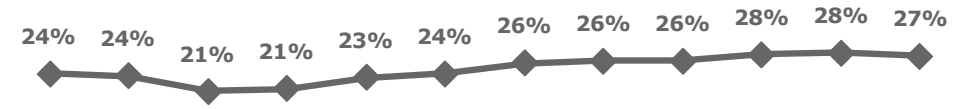
Aggregate EBITDA (€bn)



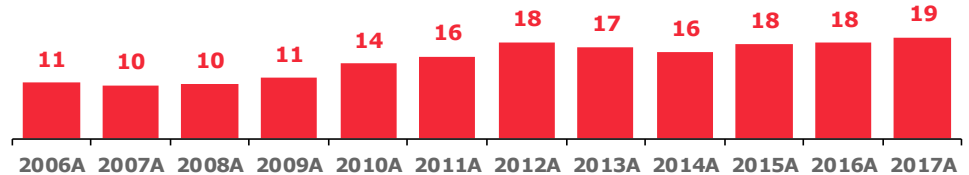
— Aggregate EBITDA — Median EBITDA margin

Tobacco Majors⁽¹⁾ Aggregate Net Profit and Margins

Median Net Profit Margin



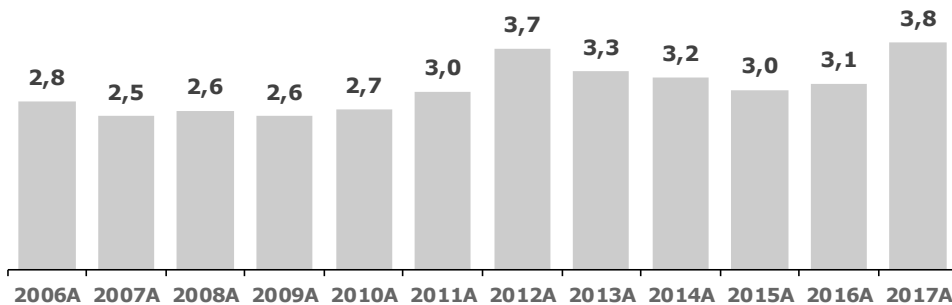
Aggregate Net Profits (€bn)



— Aggregate Net Profit — Median Net Profit Margin

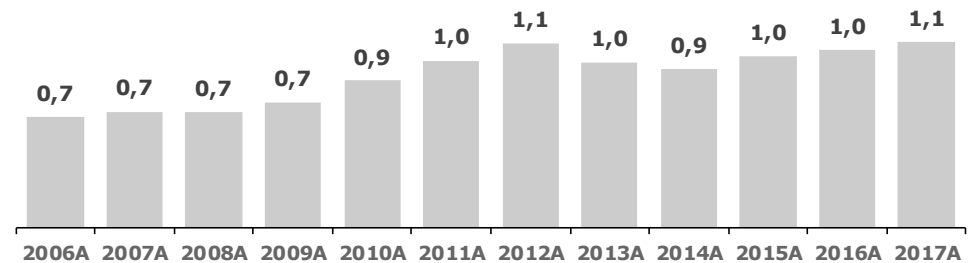
Tobacco Majors⁽¹⁾ Annual Aggregate CapEx

€bn



Tobacco Majors⁽²⁾ Annual Aggregate R&D Expenses

€bn



Driving Future Capital Expenditures

Source: Companies annual reports

(1) Philip Morris International, British American Tobacco, Japan Tobacco and Imperial Brands

(2) Philip Morris International, British American Tobacco and Japan Tobacco (excluding Imperial Brands due to unavailable disclosure)

Positive long-term fundamentals leading the way to machine first adoption / substitution

New Generation Products

Significant **FOCUS** from all tobacco majors and increasing geographic **PENETRATION**

NEW and **DIFFERENT** production capacity/ capabilities

Evolved **SPECIAL** packaging (e.g. blister)

UNEXPLORED geographies with different regulatory standards (e.g. USA, China)

Driving machine first adoption

Conventional Tobacco Products

Decreasing cigarettes consumption but **INCREASED PREMIUMIZATION** and **DIFFERENTIATION** (new filtering, flavouring options, cigarettes size, etc.)

INNOVATIVE PACKAGING as main **MARKETING** solution and **DIFFERENTIATION** tool

Hunting for **FLEXIBLE PRODUCTION** to meet **FAST EVOLVING** users' habits and packaging standards (e.g. EU TPD2⁽¹⁾)

Increased **AUTOMATION** in "secondary" processing phases to further support **PRODUCT INNOVATION**

Driving machine substitution

(1) Revision of the Tobacco Products Directive

A photograph of a modern, multi-story building with a glass facade, viewed from a low angle. The building is partially obscured by a red banner that curves across the middle of the image. The foreground shows a field of tall grass. The sky is bright and overcast.

Financial Highlights

Profit & Loss

(€ '000s)	H1 2018	%	H1 2017	%
Revenue	95,639		76,237	
Cost of sales	(53,771)	(56.2)	(38,185)	(50.1)
Industrial gross profit	41,868	43.8	38,052	49.9
R&D costs	(1,017)	(1.1)	(1,166)	(1.5)
Sales costs	(1,300)	(1.4)	(2,086)	(2.7)
General and administrative costs	(3,758)	(3.9)	(2,903)	(3.8)
EBIT	35,792	37.4	31,897	41.8
Finance income/(expense)	(105)	(0.1)	21	0.0
EBT	35,687	37.3	31,917	41.9
Taxes	(10,014)	(10.5)	(8,944)	(11.7)
Net income	25,673	26.8	22,973	30.1
EBITDA	36,194	37.8	32,113	42.1
Backlog	96,855		93,889	
Order intake	82,073		81,523	

Revenue growth of 25.4% vs H1 2017

Industrial gross profit at 43.8% of revenue (or 44.7% excluding IFRS 15 impact), up from Q1 2018 (41.6%). Decrease vs H1 2017 due to different product mix

Increases in administrative and general personnel costs and BoD costs

EBITDA growth of 12.7% vs H1 2017. EBITDA margin at 37.8% (34.2% in Q1 2018)

Backlog increase vs H1 2017

Order intake confirms positive result of H1 2017

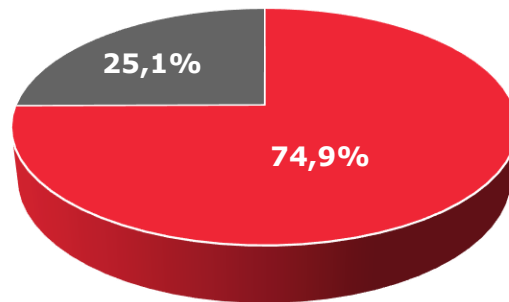
Source: Company Information

Revenue breakdown by product family / geography

Strong growth of Export as % of total revenue in H1 2018
Room for improvement for After-Sales revenue in H2 2018

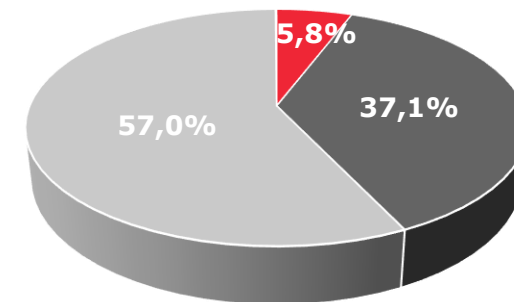
H1 2018

By Product family



■ Original Equipment ■ After-Sales

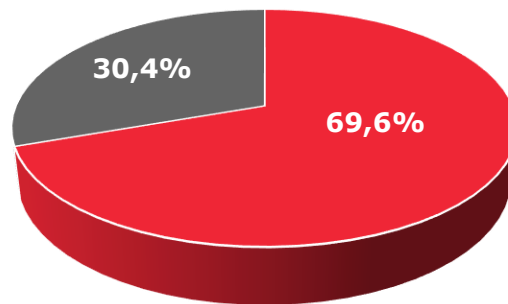
By Geography



■ Italy ■ Rest of Europe
■ Asia & Middle East ■ Rest of world

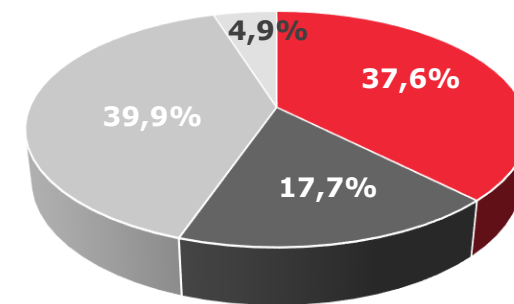
H1 2017

By Product family



■ Original Equipment ■ After-Sales

By Geography



■ Italy ■ Rest of Europe
■ Asia & Middle East ■ Rest of world

Source: Company Information

Balance sheet

(€ '000s)	06.30.2018	12.31.2017	Delta
Trade receivables and advances to suppliers	59,928	30,905	29,023
Inventories	20,756	21,372	(616)
Trade payables and advances from customers	(56,800)	(56,876)	76
Other, net (*)	(19,165)	(928)	(18,237)
Working capital	4,718	(5,527)	10,245
Property, plant and equipment	1,941	1,361	580
Intangible assets	3,258	2,507	751
Financial assets	2,228	-	2,228
Receivables and deferred tax assets	1,262	1,072	190
Non-current assets	8,688	4,940	3,749
Employee severance indemnities and other non-current payables	(1,265)	(592)	(673)
Net capital employed	12,141	(1,179)	13,320
Net financial position (A)	21,183	45,788	(24,605)
Shareholders' equity (B)	33,324	44,609	(11,285)
Total sources of funding (B) - (A)	12,141	(1,179)	13,320

Increase in trade receivables due to the timing of deliveries of lines in 2018

Increase in income tax payables and reduction in tax receivables

20% minority stake purchased in AMT Labs S.p.A.

Positive cash balance after payment of €37.0 million of dividend in May

Source: Company Information

(*) This item mainly includes tax receivables and payables, provisions for risks and charges and other payables

Cash flow statement

(€ '000s)	H1 2018	H1 2017
Net profit for the period	25,673	22,973
Taxes	10,014	8,944
Other non-monetary changes	1,291	671
Subtotal	36,978	32,588
(Increase) or decrease in trade and other receivables	(22,990)	(24,786)
(Increase) or decrease in inventories	617	(991)
Increase or (decrease) in trade and other payables	1,816	(4,681)
Taxes paid	-	(1,675)
CASH FLOW PROVIDED BY OPERATING ACTIVITIES (A)	16,420	455
Additions to property, plant and equipment	(753)	(589)
Additions to intangible assets	(1,011)	(1,342)
Increase in financial receivable from the parent company	-	7,624
Additions to financial assets	(2,228)	-
CASH FLOW PROVIDED BY INVESTING ACTIVITIES (B)	(3,991)	5,693
Dividends paid	(36,960)	(27,001)
Other changes	(74)	38
CASH FLOW USED IN FINANCING ACTIVITIES (C)	(37,034)	(26,963)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(24,605)	(20,815)

Increase in trade receivables due to the timing of deliveries of lines in 2018

Increase in receivable in H1 2017 from the inter-group current account

Source: Company Information

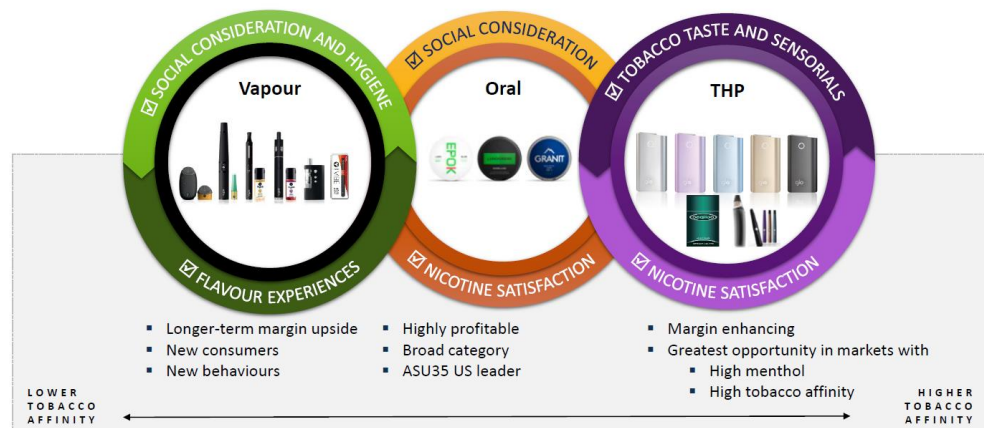


Appendix

British American Tobacco

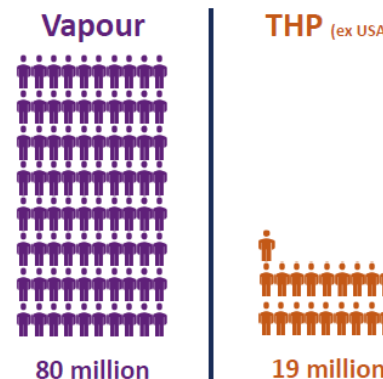
To be the world's best at satisfying consumer moments in NGPs

A Multi-platform Strategy in NGPs

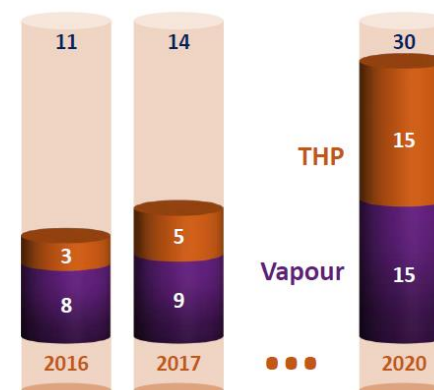


NGP: a Significant and Growing Marketplace

2020 NGP Consumers



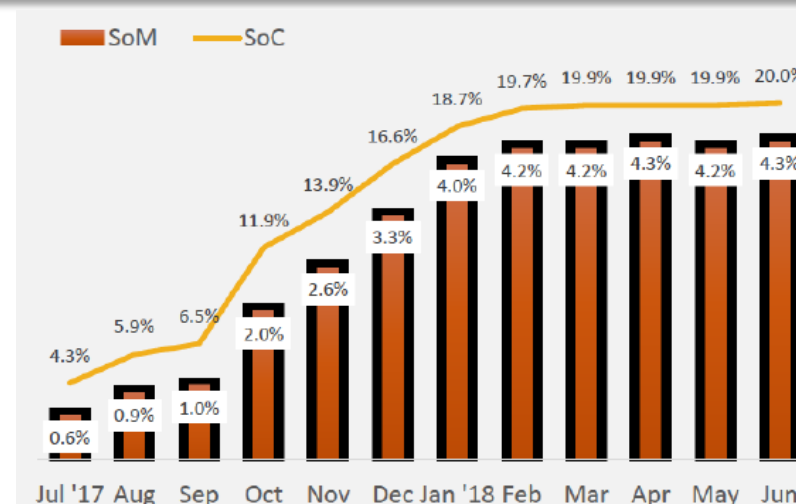
NGP Industry CPTO (£ bn) Including USA vapour



BAT Targets

	2017	2018E	2022E	2030E	2050E
NGP as % of BAT Revenue	2%	3-5%	N/A	~30%	~50%
THP	£0.2 bn	£0.6 bn	£3.5 bn	--	--
Vapour	£0.2 bn	£0.4 bn	£1.5 bn	--	--
BAT NGP Revenue	£0.4 bn	£1.0 bn	£5.0 bn	--	--
glo	2017*	2018E*			
Devices	5 mn	25 mn			
Sticks	15 bn	52 bn			

Performance of glo in Japan (Market Share)



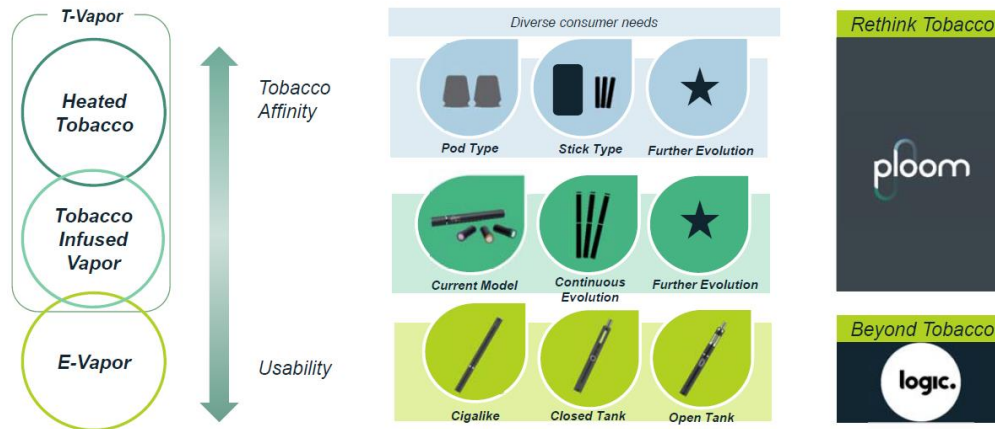
(*) Annualized year end capacity

Source: GIMA TT analysis based on British American Tobacco public materials. THP: Tobacco Heating products. CPTO: Consumer Price Turnover

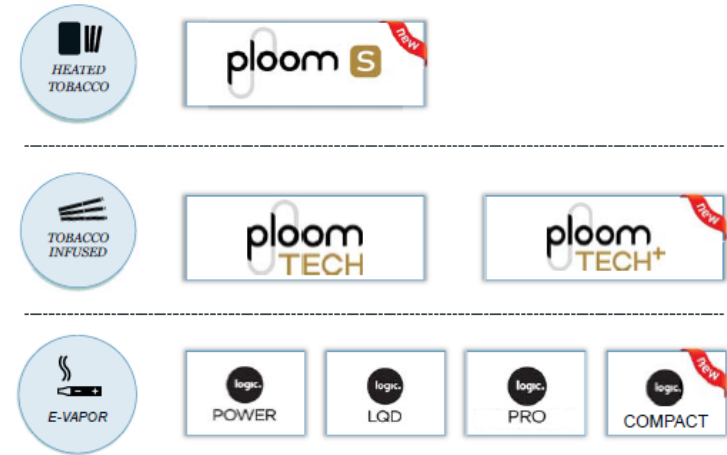
Japan Tobacco

RRP is now the centerpiece of our strategy

Fulfill Diverse Consumer Needs ...

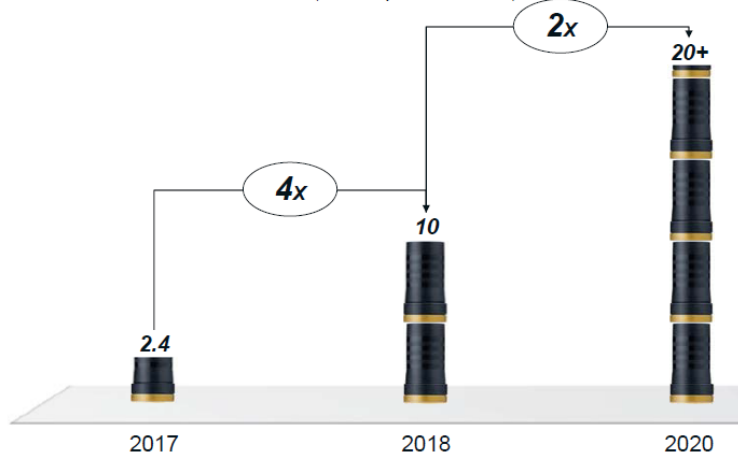


... with Expanded Portfolio



Ploom TECH capacity ramping up through 2020 ...

Ploom TECH Capsule Manufacturing Capacity¹
(Stick equivalents², Bn)



2020 Ambition
40% Share of RRP

... to achieve leading position in RRP in Japan

RRP market to grow continuously in the mid to long-term

Outlook for RRP market share of 30% for 2020 remains unchanged, while current growth moderating

- Industry-wide innovations to better meet consumers' needs
- Regulations, including the Revised Health Promotion Act, are less restrictive for T-Vapor

Initiatives to achieve 40% category share by the end of 2020

- Fuel current year's investment with additional funds in order to establish JT's unique "low-temperature heating" category and to assure the success of Ploom TECH
- Continue to make progress in the enhancement of the RRP portfolio

Response to volatile market environment due to potential impacts caused by

- Competitors' new product launches and marketing activities
- Regulations on Environmental Tobacco Smoke

Source: GIMA TT analysis based on Japan American Tobacco public materials. RRP: Reduced-Risk Products

Philip Morris International

Designing a Smoke-Free Future

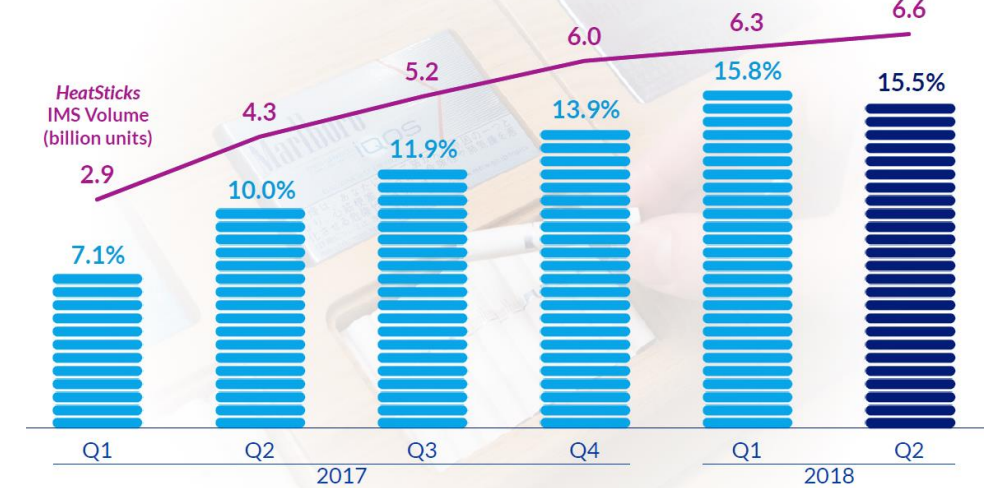
Japan

Heated Tobacco Usage Among All Tobacco Users



Japan

HeatSticks National Share



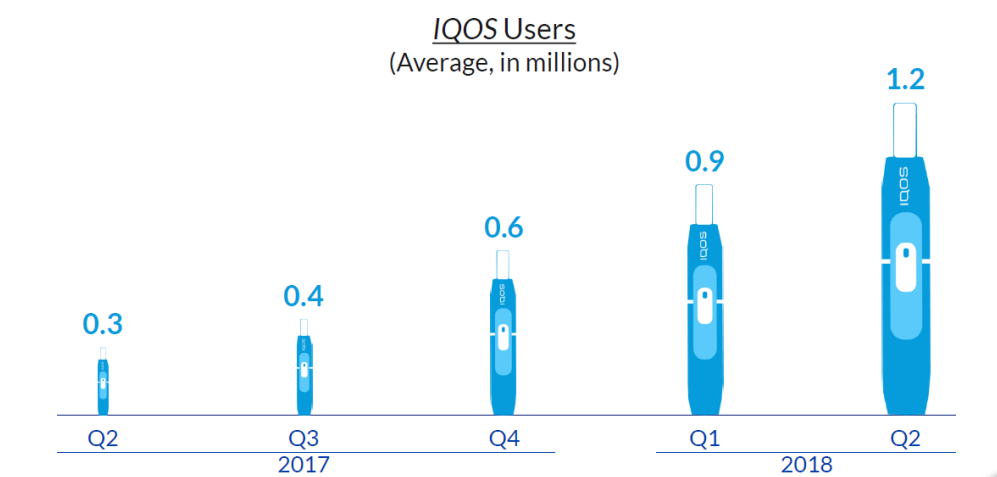
Korea

HEETS National Share Growth



EU Region

Growing IQOS User Base



Source: GIMA TT analysis based on Philip Morris International public materials

New Generation Products glossary

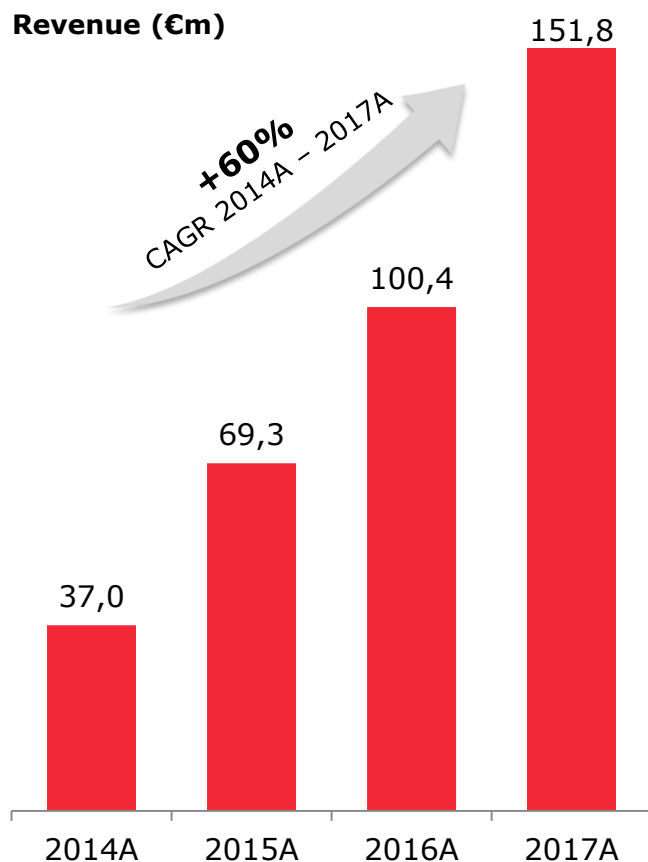
New Generation Products	New Generation Products are distinguished from traditional combustible tobacco products by their production of vapour through a process of heating rather than burning. They usually include an electronic circuitry and a power source supplying energy to the heating mechanism. While the majority of current devices (e-cigarettes) are intended for use with a non-tobacco nicotine containing liquid, the category includes tobacco products where tobacco is heated and not combusted. The category excludes licensed nicotine replacement therapy products
Closed Vaping Systems	Closed vaping systems refer to products composed of the aggregation of vaporizing devices and compatible only cartridges. They are split between cig-a-likes and non cig-a-like closed systems
▪ Cig-a-likes	It is the aggregation of single use and rechargeable e-cigarettes. They are intended to mimic traditional rolled manufactured cigarettes and contain a battery and an enclosed flavour cartridge
– Single Use Cig-a-likes	<i>Single use cig-a-likes are non-reusable products which are intended for single use (until either the battery or flavour cartridge depletes fully) and of which no part is detachable or replaceable</i>
– Rechargeable Cig-a-likes	<i>Rechargeable cig-a-likes are products of which the battery can be recharged and interchanged and for which replacement nicotine-containing cartridges can be purchased separately (usually bought pre-filled in packs of 3 or 5)</i>
▪ Non cig-a-likes	It is the aggregation of non cig-a-like closed systems (including starter kits) and non cig-a-like cartridges. Often referred to as pod mods, they are proprietary in nature and are not intended to be refillable with alternative capsules or bottled e-liquid
Open Vaping Systems	Open vaping systems refer to products composed of the aggregation of a power source (battery), an integrated refillable tank (which allows the use of different types of liquids and different brands) and e-liquid. They are often referred to as 2nd, 3rd and 4th generation products (in contrast with 1st generation cig-a-likes)
▪ Charging and Vapourising Devices	Charging and vapourising devices includes any product related to the powering (e.g. batteries) or the charging (e.g. cables) of open vaping systems and any product forming part of the heating and inhalation mechanism (e.g. clearomisers, tank units, atomisers, drip tips)
▪ E-liquids	Nicotine and non-nicotine bottled liquids which are decanted by the consumer into a tank for heating and inhalation
Heated Tobacco Products	It is the aggregation of tobacco heating devices and heated tobacco. It includes sales of products which heat rather than combust tobacco to produce a tobacco vapour, rather than smoke
▪ Heating Devices	Tobacco heating devices are any piece of technology or equipment which allow the consumer to heat rather than combust a tobacco product
▪ Heated Tobacco	Heated tobacco is the consumable element of tobacco vapour products and can come in the form of tobacco pods / capsules or in specially designed cigarettes

2014 – 2017 financial highlights



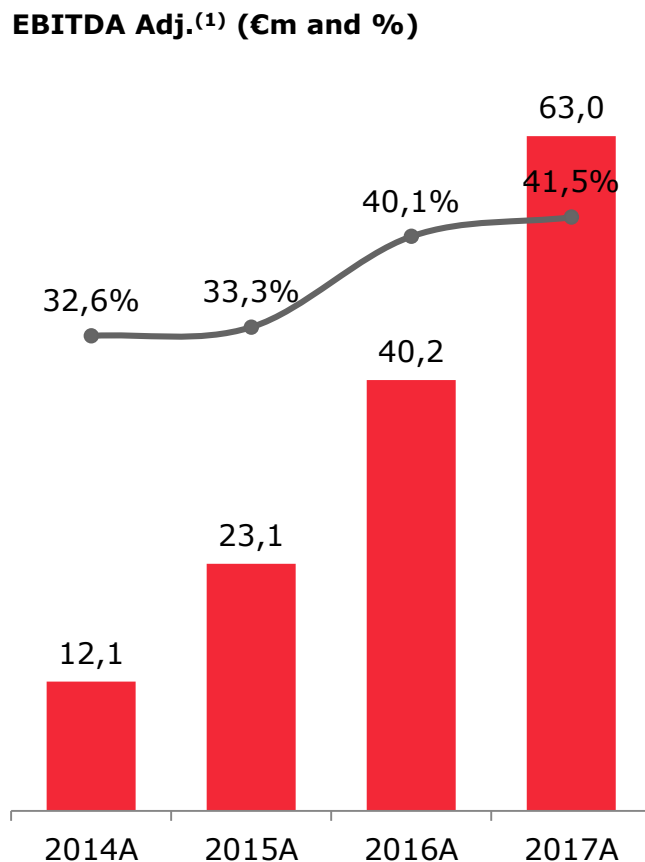
High Revenue growth

Revenue (€m)



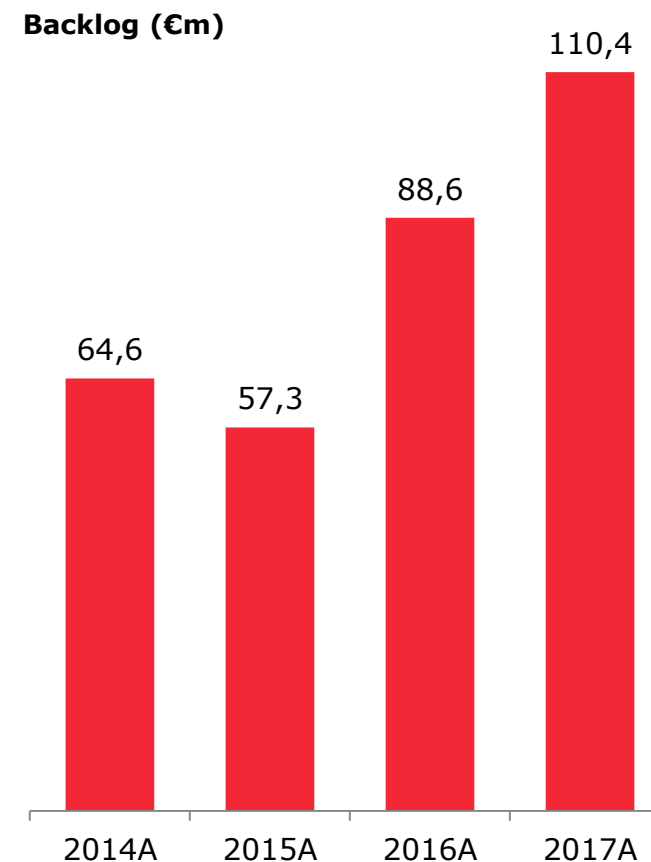
Strong profitability

EBITDA Adj.⁽¹⁾ (€m and %)



Solid backlog visibility

Backlog (€m)



Asset light business model (~0.6% capex⁽²⁾ as % of revenue in 2017), supported by **strong order intake** (€173.6m in 2017 versus €131.7m in 2016A)

(1) Adjusted for non-recurring IPO costs in 2017

(2) Investments in Property, plant and equipment

Source: Company information

2016 - 2017 Profit & Loss

(€ '000s)	2017	%	2016	%
Revenue	151,761		100,394	
Cost of sales	(77,868)	51.3	(52,576)	52.4
Industrial gross profit	73,893	48.7	47,818	47.6
R&D costs	(2,299)	(1.5)	(2,221)	(2.2)
Sales costs	(3,249)	(2.1)	(2,455)	(2.4)
General and administrative costs	(7,114)	(4.7)	(3,383)	(3.4)
EBIT	61,231	40.3	39,759	39.6
Finance income/(expense)	(117)	(0.1)	(14)	(0.0)
EBT	61,115	40.3	39,745	39.6
Taxes	(16,997)	(11.2)	(12,512)	(12.5)
Net income	44,117	29.1	27,233	27.1
EBITDA before non-recurring items	62,957	41.5	40,228	40.1
EBITDA	61,698	40.7	40,228	40.1
Backlog	110,421		88,603	
Order intake	173,579		131,657	

Revenue (pure organic) growth of 51.2% vs 2016

Industrial gross profit up to 48.7% of revenue (47.6% in 2016)

Including Euro 1,259 thousands non-recurring costs related to the IPO in 2017

Net income growth of 62.0% vs 2016. Net income up to 29.1% of revenue (27.1% in 2016)

EBITDA Adj. growth of 56.5% vs 2016. EBITDA Adj. margin up to 41.5% (40.1% in 2016)

Backlog growth of 24.6% vs 2016

Order intake (new orders) growth of 31.8% vs 2016

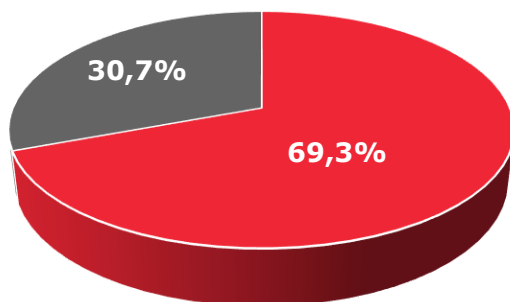
Source: Company Information

2016 - 2017 Revenue breakdown

Strong growth of After-Sales revenue and Export (as % of total revenue)

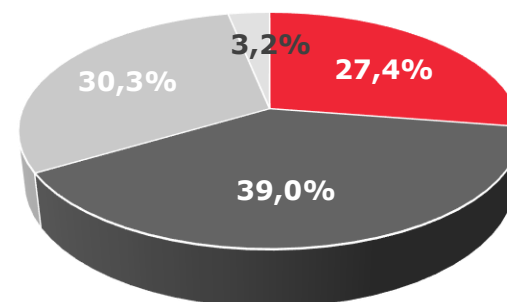


By Product family



■ Original Equipment ■ After-Sales

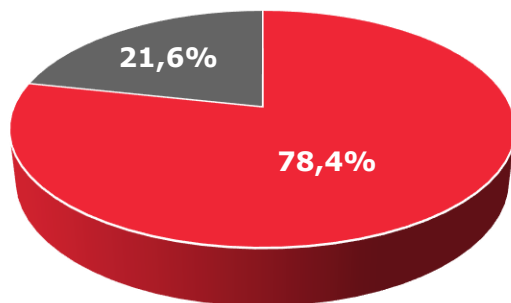
By Geography



■ Italy ■ Rest of Europe ■ Asia ■ Rest of world

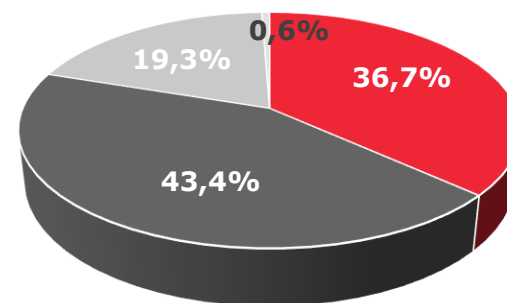


By Product family



■ Original Equipment ■ After-Sales

By Geography



■ Italy ■ Rest of Europe ■ Asia ■ Rest of world

Source: Company Information

2016 - 2017 Balance sheet

(€ '000s)	31.12.2017	31.12.2016	Delta	
Trade receivables	30,905	24,068	6,837	Increases in trade receivables and inventories associated with higher sales volume
Inventories	21,372	18,171	3,201	
Trade payables	(56,876)	(53,419)	(3,458)	Primarily related to an increase in tax receivables (VAT) in 2017
Other, net ^(*)	(928)	(8,249)	7,321	
Working capital	(5,527)	(19,429)	13,902	
Property, plant & equipment	1,361	658	703	Increase mainly related to capitalized development costs
Intangible assets	2,507	581	1,926	
Other	1,072	567	505	
Non-current assets	4,940	1,806	3,134	
Severance obligations and other payables	(592)	(130)	(461)	
Net capital employed	(1,179)	(17,754)	16,575	
Net financial position (A)	45,788	45,249	539	Positive NFP in line with 2016 (after paying € 27,001 thousands of dividends in 2017)
Equity (B)	44,609	27,495	17,114	
Total sources of financing (B) - (A)	(1,179)	(17,754)	16,575	

Source: Company Information

(*) This item mainly includes tax receivables and payables, provisions for risks and charges and other payables

2016 - 2017 Cash flow statement

(€ '000s)	2017	2016
Net profit for the period	44,117	27,233
Income taxes	16,997	12,512
Other non-monetary changes	2,430	951
Sub Total	63,545	40,696
(Increase) or decrease in trade and other receivables	(15,680)	(20,681)
(Increase) or decrease in inventories	(3,201)	(7,349)
Increase or (decrease) in trade and other payables	3,988	21,775
Taxes paid	(17,861)	(10,711)
CASH FLOW PROVIDED BY OPERATING ACTIVITIES (A)	30,791	23,730
Additions to property, plant and equipment	(941)	(187)
Additions to intangible assets	(2,200)	(305)
Decrease in financial receivables from the parent company	7,624	30,576
CASH FLOW PROVIDED BY INVESTING ACTIVITIES (B)	4,483	30,084
Dividends paid	(27,001)	(20,108)
Other changes	(109)	3
CASH FLOW USED IN FINANCING ACTIVITIES (C)	(27,110)	(20,105)
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,164	33,709

▶ Increase in working capital due to higher sales volume

▶ Capitalized development costs in 2017

▶ Financial receivables repaid by IMA

Source: Company Information