Sep 30th, 2014

ivsgroup®

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Sep 30th, 2014 – Highlights

Increase of value of production and EBITDA margin resulted in an LTM EBITDA of 64.0m.

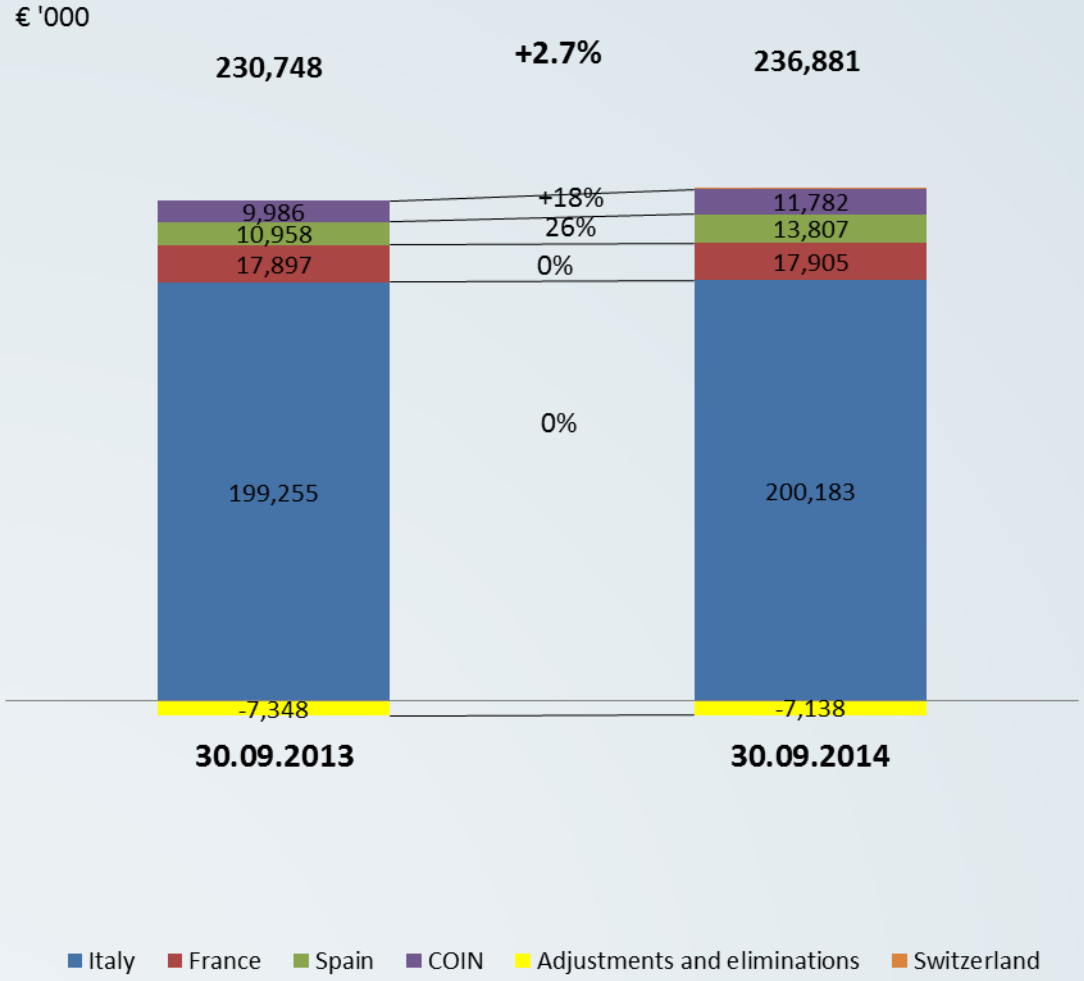
€ '000	**Actual** **30.09.2014**	*Last Year* 30.09.2013 Restated (*)	Δ
Value of production	**236,881**	230,748	3%
EBITDA Adjusted	**46,632**	46,649	(0%)
Margin	***19.7%***	*20.2%*	
EBIT Adjusted	**17,964**	17,166	5%
Margin	***7.6%***	*7.4%*	
Net Income Adjusted	**2,052**	6,510	(68%)
Net Financial position	**219,337**	186,730	

(*) Some amount reported in this column do not match those of the 2013 Financial Statement since they mirror the adjustment detailed in Note 2 of Explanatory Notes included in Condensed Interim consolidated report as of September 30th, 2014.
Note: EBITDA, EBIT and Net Income Adjusted removes non-recurring costs considered exceptional in nature, like – among others – the impact of changes in fair value of warrants . For the purpose of the calculation of the leverage ratio following the definitions of the Bond Indenture, further adjustments should be made.

Sep 30th, 2014 – Macroeconomic view

Data	Update as	IVS view	Comment	Source
Hours worked	2Q 2014		The number of hours worked in Italy during the second quarter of 2014 increased by 0.07%, if compared to the first quarter of 2014, and increased by 0.42%, if compared to the second quarter of 2013	ISTAT
People employed	3Q 2014		The number of people employed in Italy in 3rd quarter 2014 inreased by 0,07% in comparison with 3rd quarter 2013 and increase about 0,23% on the previous quarter.	ISTAT
Employment rate	3Q 2014		The average employment rate in 3rd quarter 2014 in Italy was 55.70%, a value which is higher than 3 quarter 2013 (55.53%). It seems started a slight upturn	ISTAT
Confidence index on firms	3Q 2014		The value of the index in Sept. 2014 is lower than in Sept. 2013 (95.5 vs 96.2). Trend in the quarter is quite uniform	ISTAT
Prices	3Q 2014		General prices increase is near to 0% (-0.37% from Sept. 2014 to Aug 2014 / -0.19% since Sept. 2013). Prices of food not changed (0.0%) in the same yearly period while prices of transport services increased by 0.62%	ISTAT
Climate	3Q 2014		Avarage daily temperature in Q3 2014 are considerably lower than in Q3 2013. Moreover, the precipitation trend shows an increase of daily with rainfalls.	www.wunderground.com

Sep 30th , 2014 – Value of Production



New Contracts in 3Q 2014

AlmavivA The Italian Innovation Company

ABB

SANOFI

EDF EURODIFARM

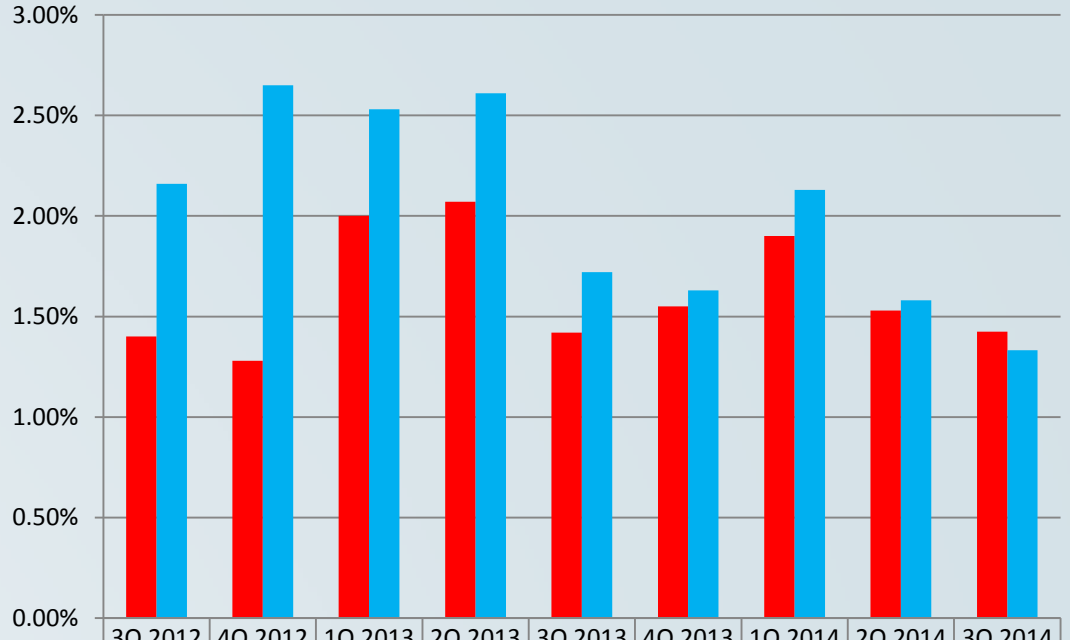
FLORIM

RFI RETE FERROVIARIA ITALIANA GRUPPO FERROVIE DELLO STATO ITALIANE PORTASUSA

RFI RETE FERROVIARIA ITALIANA GRUPPO FERROVIE DELLO STATO ITALIANE LINGOTTO

Sep 30th , 2014 – Price / Volume trend

- IVS increased sales from vending by 2.8% (decreased 4.6% without 2014 acquisitions), kept stable the overall number of vends (decreased by 7.16% without 2014 acquisitions effects – decreased by 8.06% in CGU Italy), and increased the ASP by 1.2 EUR/cent in comparison with last year.
- Churn Rate is affected by the loss of the client San Raffaele Hospital which registered 0.5M of sales in 2013



	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014
Churn Rate	1.40%	1.28%	2.00%	2.07%	1.42%	1.55%	1.90%	1.53%	1.42%
Acquisition Rate	2.16%	2.65%	2.53%	2.61%	1.72%	1.63%	2.13%	1.58%	1.33%

CHURN RATE* is the ratio between:
- Vends made in the previous Q by the clients which were lost by IVS during the Q;
- Total Vends of the previous Q

ACQUISITION RATE* is the ratio between:
- Vends made in the current Q by the clients which became clients in the previous Q (ramp-up period of 1-2 months is usual in this business);
- Total Vends of the current Q, net of clients acquired in the previous and current Q.

*as defined by IVS

Note: Acquisitions of corporates or going-concerns excluded.

KPIs

KPI	2012	2013	30.09.2013	30.09.2014
Business days	238	238	178	178
Units sold (millions)	634	645	481	482
Sales per business day (€ thousands)	1,156	1,199	1,192	1,230
Average price (€ cents)	43.29	44.27	44.15	45.33
Cost of sales per unit sold (€ cents)	(11.25)	(11.28)	(11.31)	(11.16)
Gross profit per unit sold (€ cents)	32.04	32.99	32.84	34.16
% of Technical calls resolved within 8 hours	88%	90%	90%	91%
EBITDA Adjusted (€000)	60,750	63,955	46,649	46,632
EBITDA Adjusted per business day (€000)	256	269	263	262

Sep 30th , 2014 – Income statement

€ '000	Actual 30.09.2014	%	Last Year 30.09.2013 Restated	%	Δ
Value of production	**236,881**	*100%*	**230,748**	*100%*	*3%*
COGS	(55,703)	*24%*	(57,634)	*25%*	*(3%)*
Service costs	(27,501)	*12%*	(26,986)	*12%*	*2%*
Personnel costs	(68,360)	*29%*	(64,586)	*28%*	*6%*
Other operating costs	(38,017)	*16%*	(34,468)	*15%*	*10%*
Capital gains on property disposal	133	*0%*	618	*0%*	*(78%)*
Other non-recurring income (expenses)	(802)	*0%*	(1,041)	*0%*	
EBITDA Adjusted	**46,632**	*20%*	**46,649**	*20%*	*(0%)*
Margin	*19.7%*		*20.2%*		
D&A	(28,668)	*12%*	(29,483)	*13%*	*(3%)*
Income/Expenses non-recurring or exceptional in nature	(1,897)	*1%*	(1,328)	*1%*	*43%*
EBIT	**16,067**	*7%*	**15,838**	*7%*	*1%*
Margin	*6.8%*		*6.9%*		
Financial income/(expenses)	(13,298)	*6%*	(8,519)	*4%*	*56%*
Changes in derivatives (extraordinariary costs)	(3,019)		(1,156)		
Other (taxes and other)	(231)	*0%*	(814)	*0%*	*(72%)*
Minorities	(1,288)		(1,036)		
NET INCOME	**(1,769)**	*-1%*	**4,313**	*2%*	*(141%)*
Adjustments (extraordinary costs)	5,718	*2%*	3,525	*2%*	*62%*
NET INCOME Adjusted	**3,949**	*2%*	**7,838**	*3%*	*(50%)*

- Personnel Costs higher by 3.8 m, mainly due to the cost of personnel acquired with M&A (4.1m), which integration has not been completed yet.

- Other operating Costs higher by 3.5 m, mainly due to higher redevances costs (3.2 m of which 1.3m from M&A).

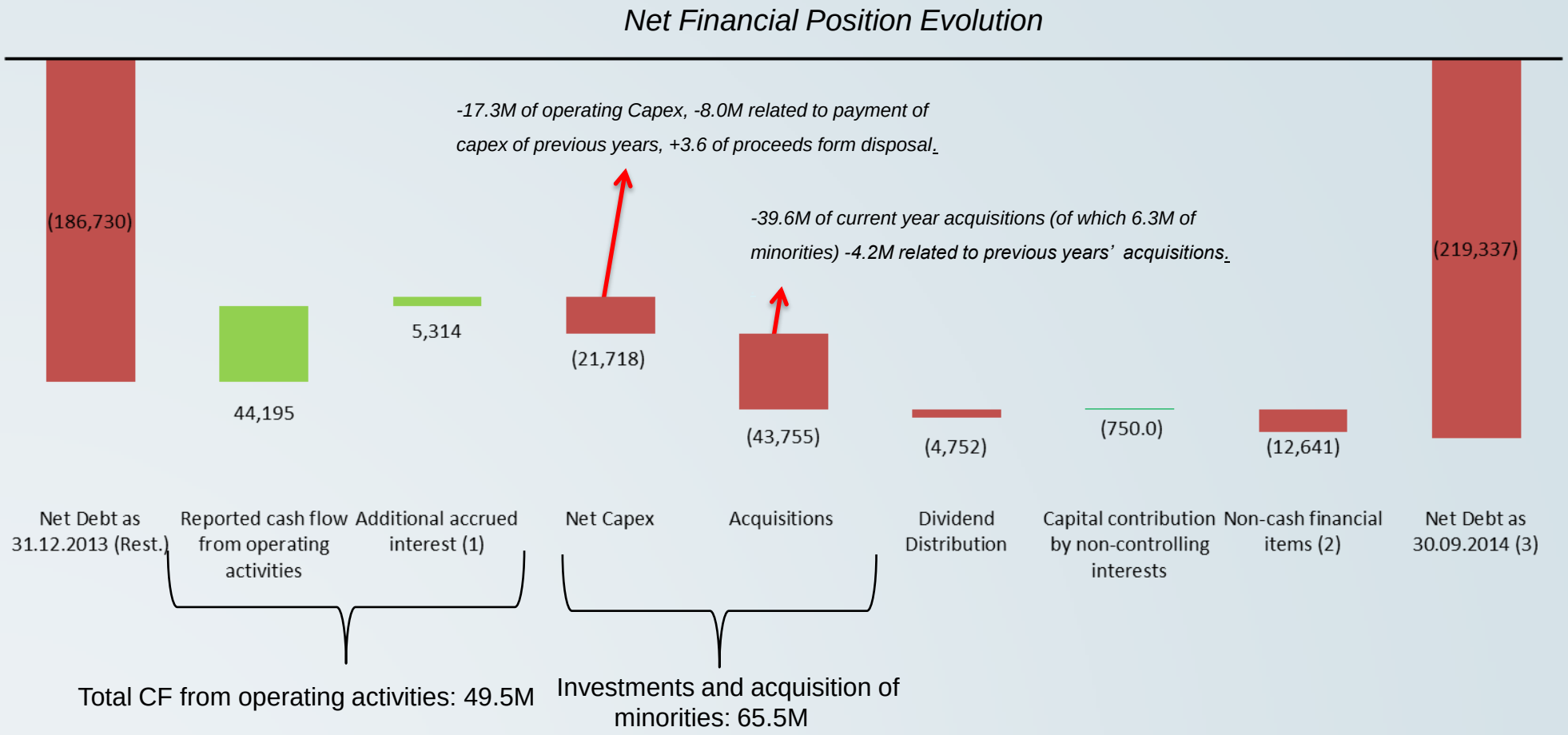
- Net Financial Expenses higher due to: (i) Δ 5.4m interests on bond; (ii) Δ4.6m in change in warrants' fair value; and (iii) Δ –2,4m due to write-off of the cash flow hedge reserve that occurred in 2013.

2014 vs 2013 Vending Sector

	First Quarter						Second Quarter					
	2014			2013 (Restated)			2014			2013 (Restated)		
	Thousands	%	€cent	Thousands	%	€cent	Thousands	%	€cent	Thousands	%	€cent
Vends (number)	160,149			167,071			168,878			167,052		
Value of production	74,366	100.0%	46.44	74,365	100.0%	44.51	80,151	100.0%	47.46	78,928	100.0%	47.25
Operating costs	(60,334)	81.1%	37.67	(58,633)	78.8%	35.06	(63,640)	79.4%	37.68	(63,387)	79.1%	37.36
Ebitda Adjusted	14,032	18.9%	8.76	15,733	21.2%	9.45	16,511	20.6%	9.78	15,540	20.9%	9.88
Other non-recurring income/(expenses)*	(109)	0.1%	0.07	(573)	1.4%	0.61	(798)	1.0%	0.47	(617)	1.3%	0.63
Ebitda*	13,923	18.7%	8.69	15,160	19.8%	8.83	15,713	19.6%	9.30	14,923	19.6%	9.25
Depreciation and amortisation	(9,496)	12.8%	5.93	(9,782)	13.2%	5.86	(9,355)	11.7%	5.54	(9,674)	12.3%	5.80
Ebit*	4,427	6.0%	2.76	5,378	6.7%	2.97	6,358	7.9%	3.77	5,249	7.3%	3.46

	Third Quarter					
	2014			2013 (Restated)		
	Thousands	%	€cent	Thousands	%	€cent
Vends	152,679			146,869		
Value of production	73,723	100.0%	48.29	69,903	100.0%	47.60
Operating costs	(60,834)	82.5%	39.84	(56,901)	81.4%	38.74
Ebitda Adjusted	12,889	17.5%	8.44	13,002	18.6%	8.85
Other non-recurring income/(expenses)*	(931)	1.3%	0.61	(138)	0.2%	0.09
Ebitda*	11,958	16.2%	7.83	12,865	18.4%	8.76
Depreciation and amortisation	(9,309)	12.6%	6.10	(9,556)	13.7%	6.51
Ebit*	2,650	3.6%	1.74	3,309	4.7%	2.25

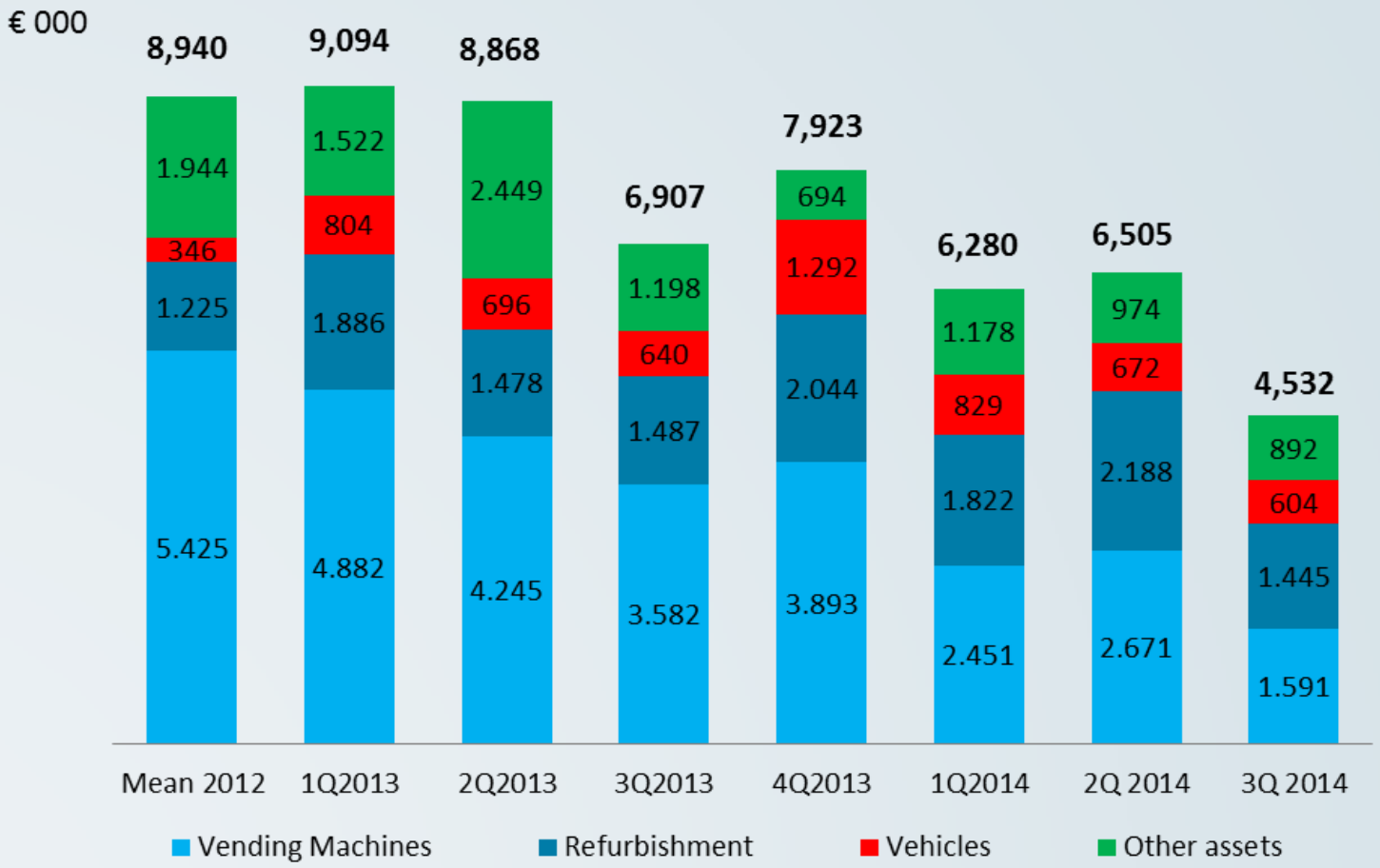
Sep 30th , 2014 – NFP



(1) Accrual Interest of 2013 paid during 2014 (including 1.8M related to Bond tap) .
(2) Includes: -3.0M of changes in warrant fair value, -9.4M of unpaid bond interests and others, -0.3M Others.
(3) Includes: -9.0M of warrant fair value.

Sep 30th , 2014
Decision on Capex: Evolution

- This analysis does not include extraordinary capex (for ex. from M&A) and payments for capex of previous years.



Sep 30th , 2014
Climate impact

3 QUARTER- Celsius degrees	Milano			Roma			Bari		
	3Q 2013	3Q 2014	Confronto	3Q 2013	3Q 2014	Confronto	3Q 2013	3Q 2014	Confronto
Highest daily temp.in the quarter	34	31	⇩	37	33	⇩	38	38	⇔
Average among highest daily temp.	28	24	⇩	30	27	⇩	31	30	⇩
Average among lowest daily temp.	13	14	⇧	18	19	⇧	18	16	⇩
Number of days with av. temp. > 25 °C	11	0	⇩	43	18	⇩	23	20	⇩
Number of days with rainfalls	27	48		20	18		12	19	

2 QUARTER- Celsius degrees	Milano			Roma			Bari		
	2Q 2013	2Q 2014	Confronto	2Q 2013	2Q 2014	Confronto	2Q 2013	2Q 2014	Confronto
Highest daily temp.in the quarter	33	33	⇔	35	34	⇩	34	36	⇧
Average among highest daily temp.	21	23	⇧	24	24	⇔	24	24	⇔
Average among lowest daily temp.	10	10	⇔	14	14	⇔	14	14	⇔
Number of days with av. temp. > 20 °C	14	15	⇧	27	30	⇧	28	44	⇧
Number of days with rainfalls	40	37		31	35		24	26	

1 QUARTER- Celsius degrees	Milano			Roma			Bari		
	1Q 2013	1Q 2014	Confronto	1Q 2013	1Q 2014	Confronto	1Q 2013	1Q 2014	Confronto
Highest daily temp.in the quarter	22	26	⇧	22	22	⇔	23	23	⇔
Average among highest daily temp.	9	11	⇧	13	16	⇧	14	20	⇧
Average among lowest daily temp.	-1	1	⇧	4	6	⇧	6	11	⇧
Number of days with av. temp. > 10 °C	3	9	⇧	25	49	⇧	31	71	⇧
Number of days with rainfalls	31	41		37	35		39	33	

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Climate impact on Beverage Sales

- In the third quarter 2014 IVS beverage sales decreased by Eur 3,9M (without 2014 acquisitions effects), compared with the same period of previous year and principally due to decrease in water sales (Eur 1,7M).

Thousands		Beverage		*Of which Water*
Variation Vends YTD Sep.2014-2013 *(number)*	-	6.585	-	*4.079*
% Var		-18,6%		*-16,3%*
Variation Sales YTD Sep.2014-2013 *(eur)*	-	3.925	-	*1.676*
% Var		-20,4%		*-16,4%*
Variation Costs YTD Sep.2014-2013 *(eur)*		890		*233*
% Var		19,5%		*14,9%*
Variation Gross Margin YTD Sep.2014-2013 *(eur)*	**-**	**3.036**	**-**	***1.443***
% Var		**-20,7%**		***-16,6%***