


Buy

from Accumulate

Share price: EUR 11.13

closing price as of 12/02/2016

Target price: EUR 15.30

Target Price unchanged

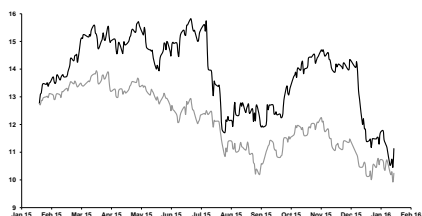
Reuters/Bloomberg

ITPG.MI/IP IM

Market capitalisation (EURm)	1,212
Current N° of shares (m)	109
Free float	80%

Daily avg. no. trad. sh. 12 mth	398,219
Daily avg. trad. vol. 12 mth (m)	4,340
Price high 12 mth (EUR)	15.82
Price low 12 mth (EUR)	10.45
Abs. perf. 1 mth	-8.85%
Abs. perf. 3 mth	-19.58%
Abs. perf. 12 mth	-16.50%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	895	914	944
EBITDA (m)	180	186	194
EBITDA margin	20.1%	20.4%	20.6%
EBIT (m)	137	141	148
EBIT margin	15.3%	15.5%	15.6%
Net Profit (adj.)(m)	116	111	116
ROCE	9.5%	9.4%	10.0%
Net debt/(cash) (m)	255	196	78
Net Debt/Equity	0.4	0.3	0.1
Debt/EBITDA	1.4	1.1	0.4
Int. cover(EBITDA/Fin. int)	(6.7)	(6.7)	(6.8)
EV/Sales	2.0	1.5	1.4
EV/EBITDA	10.0	7.5	6.6
EV/EBITDA (adj.)	10.0	7.5	6.6
EV/EBIT	13.2	9.9	8.7
P/E (adj.)	15.9	12.9	12.4
P/BV	2.5	1.7	1.5
OpFCF yield	-9.3%	13.3%	11.1%
Dividend yield	1.6%	1.7%	1.8%
EPS (adj.)	0.90	0.86	0.90
BVPS	5.66	6.50	7.37
DPS	0.18	0.19	0.20



Source: Factset — INTERPUMP — Stoxx Industrial Engineering (Rebased)

Shareholders: IPG Holding 20%;

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FY 15 results and FY 16 guidance
The facts: Interpump published its FY 15 preliminary results last Friday.

INTERPUMP: FY 15 results

	FY 14a	FY 15a	%Chg.	15e Akros est.
Sales	672.0	894.9	+33.2%	886.5
EBITDA	136.1	180.3	+32.4%	177.2
EBITDA margin	20.3%	20.1%		20.0%

Source: Company Data and BANCA AKROS estimates

FY 15 sales up by 33.2% (in line with our est of +31.9%) - +8.9% on a like-for-like basis and +1.3% at constant exchange rates: in particular, the Water Jetting division grew by 21.3% (+14.6% on a like-for-like basis and +4.7% at constant exchange rates) and the Hydraulic sector showed a sales growth of +41.4% (+5.0% on a like-for-like basis and -1% at constant exchange rates).

FY 15 EBITDA improved in both divisions more than our expectations (+32.4% vs our est +30.2%): EBITDA increased by 32.4% at EUR 180.3m (20.1% of sales vs 20.3% in 2014). On a like for like basis, EBITDA increased by 10.6% and reached EUR 150.5m (20.6% of sales) and increased the margin by 0.3%.

FY 16 guidance: during the afternoon conference call, the management said that at present, there is no reason to have a pessimistic view on the sales trend in 2016. They expect that in North America there will be a slowdown in some specific segments, but, in general, this market will continue to show a positive sales trend. The European market is experiencing good sales growth that is expected to continue during the year.

They communicated FY 16 guidance:

- FY 16 sales at EUR 915m (+/- 10m)
- FY 16 EBITDA at EUR 190m (+/- 5m)
- FY 16 NFP at EUR 190m (+/- 10m)

Our FY 16 estimates are in line with the foregoing guidance: FY 16e sales at EUR 913.5m and FY 16e EBITDA margin at 20.4%.

Conclusion & Action: based on the strong profitability, which we believe the group will be able to sustain even in 2016 thanks to further efficiency measures, we move our recommendation from Accumulate to Buy and, based on our DCF model (WACC 7.10% and perpetual growth 1.8%), we confirm our target price of EUR 15.30 per share.

Lastly, we remind investors that the management has confirmed to continue to evaluate several M&A opportunities.