



**INTERPUMP
GROUP**

PRESS RELEASE

**INTERPUMP GROUP APPROVES
CONSOLIDATED RESULTS AS AT 30/06/2017**

H1 2017 RESULTS:

NET SALES: € 558.8 million (+18.3% compared to H1 2016)

EBITDA: € 130.8 million (+27.8%)

EBITDA/SALES: 23.4% (21.7% in H1 2016)

CONSOLIDATED NET PROFIT: € 66.3 million (+34.9%)

FREE CASH FLOW: € 36.1 million (€ 29.5 million in H1 2016)

**NET DEBT: € 319.1 million (€ 257.3 million at 31/12/2016)
after €77.4 million disbursements for acquisitions and € 21.3 million paid in dividends**

Q2 2017 RESULTS:

NET SALES: € 286.0 million (+16.4% compared to Q2 2016)

EBITDA: € 67.9 million (+24.2%)

EBITDA/SALES: 23.7% (22.3% in Q2 2016)

CONSOLIDATED NET PROFIT: € 33.7 million (+23.7%)

Chairman Fulvio Montipò: “Yet another rewarding quarter, in which the favorable market trends reinforce the positive effects of our efforts”

Sant’Ilario d’Enza, 4 August 2017 – The Board of Directors of Interpump Group S.p.A. met today and approved the results for the **second quarter and first half of 2017**.

H1 2017 RESULTS

Net Sales in the first half of 2017 totaled 558.8 million euro, an increase of 18.3% over the 472.5 million euro in the corresponding period of 2016.



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Sales by business sector and geographical area were as follows:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of World</u>	<u>Total</u>
<i>H1 2017</i>						
Hydraulics	79,090	123,629	85,714	32,043	35,368	355,844
Water-Jetting	<u>17,348</u>	<u>70,745</u>	<u>71,488</u>	<u>25,449</u>	<u>17,877</u>	<u>202,907</u>
Total	<u>96,438</u>	<u>194,374</u>	<u>157,202</u>	<u>57,492</u>	<u>53,245</u>	<u>558,751</u>
<i>H1 2016</i>						
Hydraulics	61,444	113,439	73,280	18,711	35,281	302,155
Water-Jetting	<u>16,721</u>	<u>47,650</u>	<u>71,668</u>	<u>24,739</u>	<u>9,535</u>	<u>170,313</u>
Total	<u>78,165</u>	<u>161,089</u>	<u>144,948</u>	<u>43,450</u>	<u>44,816</u>	<u>472,468</u>
Change, 2017/2016						
Hydraulics	+28.7%	+9.0%	+17.0%	+71.3%	+0.2%	+17.8%
Water-Jetting	+3.7%	+48.5%	-0.3%	+2.9%	+87.5%	+19.1%
Total	+23.4%	+20.7%	+8.5%	+32.3%	+18.8%	+18.3%

The y/y growth in sales at unchanged perimeter was 11.2% for Hydraulics, 2.6% for Water-Jetting, and 8.1% for the whole Group (of which +1.5% due to the currency exchange).

EBITDA amounted to 130.8 million euro (23.4% of sales) compared to 102.3 million euro in the first half of 2016 (21.7% of sales), an increase of 27.8%. The following table sets out EBITDA by business sector:

	<i>H1 2017</i>	<i>% on</i>	<i>H1 2016</i>	<i>% on</i>	<i>Change</i>
	<u>€/000</u>	<u>sales</u>	<u>€/000</u>	<u>sales</u>	
Hydraulics	76,353	21.4%	59,464	19.7%	+28.4%
Water-Jetting	54,413	26.7%	42,882	25.1%	+26.9%
Other	(3)	n.s.	(10)	n.s.	n.s.
Total	<u>130,763</u>	23.4%	<u>102,336</u>	21.7%	+27.8%

Operating income (**EBIT**) amounted to 106.0 million euro (19.0% of sales) compared to 81.0 million euro in the first half of 2016 (17.1% of sales), an increase of 30.9%.

Net Profit for the half-year was 66.3 million euro (49.1 million euro in H1 2016), up 34.9%. Basic earnings per share rose from 0.461 euro in the first half of 2016 to 0.614 euro in the first half of 2017.

Net cash flow from operating activities was 95.4 million euro (73.8 million euro in H1 2016), with a 29.4% increase. **Free cash flow** amounted to 36.1 million euro (29.5 million euro in H1 2016), with an increase of 22.6%.



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Net debt at the end of the period was 319.1 million euro (257.3 million euro at 31 December 2016), after 77.4 million euro spent in acquisitions and 21.3 million euro paid in dividends. Additionally, the Group has commitments for the acquisition of stakes in subsidiaries for a total of 57.9 million euro (42.8 million euro at 31/12/2016).

Capital employed increased from 977.6 million euro at 31 December 2016 to 1,085.6 million euro at 30 June 2017, mainly due to the new acquisitions. Non-annualized **ROCE** was 9.8% (8.5% in H1 2016). Non-annualized **ROE** was 9.4% (8.1% in H1 2016).

At 30 June 2017 Interpump Group S.p.A. had 1,771,752 **treasury shares** in its portfolio, representing 1.6273% of total share capital, purchased at an average cost of € 12.4967.

Q2 2017 RESULTS

Net Sales for the second quarter of 2017 totaled 286.0 million euro, an increase of 16.4% over the 245.8 million euro in the corresponding period of 2016.

Sales by business sector and geographical area were as follows:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of World</u>	<u>Total</u>
<i>Q2 2017</i>						
Hydraulics	41,058	62,343	42,875	17,310	17,270	180,856
Water-Jetting	<u>9,118</u>	<u>39,519</u>	<u>36,086</u>	<u>11,940</u>	<u>8,491</u>	<u>105,154</u>
Total	<u>50,176</u>	<u>101,862</u>	<u>78,961</u>	<u>29,250</u>	<u>25,761</u>	<u>286,010</u>
<i>Q2 2016</i>						
Hydraulics	32,425	58,591	36,813	9,824	18,887	156,540
Water-Jetting	<u>9,983</u>	<u>25,174</u>	<u>34,966</u>	<u>13,453</u>	<u>5,644</u>	<u>89,220</u>
Total	<u>42,408</u>	<u>83,765</u>	<u>71,779</u>	<u>24,531</u>	<u>24,290</u>	<u>245,760</u>
Change, 2017/2016						
Hydraulics	+26.6%	+6.4%	+16.5%	+76.2%	-8.6%	+15.5%
Water-Jetting	-8.7%	+57.0%	+3.2%	-11.2%	+50.4%	+17.9%
Total	+18.3%	+21.6%	+10.0%	+25.7%	+5.0%	+16.4%

The y/y growth in sales at unchanged perimeter was 10.2% for Hydraulics, -0.4% for Water-Jetting, and 6.3% for the whole Group (of which +1.1% due to the currency exchange).

EBITDA amounted to 67.9 million euro (23.7% of sales) compared to 54.7 million euro in the second quarter of 2016 (22.3% of sales), an increase of 24.2%.

Net Profit for the second quarter was 33.7 million euro (27.3 million euro in Q2 2016), up 23.7%. Basic earnings per share rose from 0.258 euro in Q2 2016 to 0.313 euro in Q2 2017.



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The Board of Directors informs that the Board of Statutory Auditors has verified the independence of its members, as per Article 8 of the Corporate Governance Code promoted by Borsa Italiana S.p.A.

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Pursuant to Article 65-bis, paragraph 2 and Article 82 of Consob Deliberation 11971/1999 as modified and supplemented, the **Interim Report at 30 June 2017** is **available to the public** at the Group's registered office and may be also be consulted on the "Financial Statements and Reports" page in the "Investor relations" section of the Group's website www.interpumpgroup.it, as well on the www.emarketstorage.com repository.

S. Ilario d'Enza (RE), 4 August 2017

On behalf of the Board of Directors
Fulvio Montipò, Chairman

Carlo Banci, the manager responsible for drafting the company's accounting documents, declares - pursuant to the terms Article 154-bis, paragraph 2 of the Consolidated Financial Services Act - that the accounting disclosures in the present release correspond to the contents of the underlying documents, the accounting books and the accounting entries.

Sant'Ilario d'Enza (RE), 4 August 2017

Carlo Banci
Manager responsible for drafting
the company's accounting documents

Media Relations:

Moccagatta Associati

Tel. 02 8645.1695

segreteria@moccagatta.it

Investor Relations:

Luca Mirabelli

Tel. 0522-904433

lmirabelli@interpumpgroup.it



Consolidated Statement of financial position

(€/000)	<u>30/06/2017</u>	<u>31/12/2016</u>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	136,696	197,891
Trade receivables	250,902	200,018
Inventories	286,956	257,545
Tax receivables	17,554	11,140
Other current assets	11,596	7,686
Total current assets	<u>703,704</u>	<u>674,280</u>
Non-current assets		
Property, plant and equipment	314,861	300,921
Goodwill	428,216	390,708
Other intangible assets	40,393	30,039
Other financial assets	1,775	790
Tax receivables	1,735	1,740
Deferred tax assets	24,655	24,108
Other non-current assets	2,115	1,654
Total non-current assets	<u>813,750</u>	<u>749,960</u>
Assets available for sale	2,634	-
Total assets	<u>1,520,088</u>	<u>1,424,240</u>



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(€/000)	<u>30/06/2017</u>	<u>31/12/2016</u>
LIABILITIES		
Current liabilities		
Trade payables	141,807	109,004
Payables to banks	13,140	2,396
Interest bearing financial payables (current portion)	134,316	124,784
Derivative financial instruments	-	36
Taxes payable	22,887	18,126
Other current liabilities	65,836	49,772
Provisions for risks and charges	3,692	3,620
Total current liabilities	<u>381,678</u>	<u>307,738</u>
Non-current liabilities		
Interest bearing financial payables	308,349	327,974
Liabilities for employee benefits	19,682	19,311
Deferred tax liabilities	50,934	47,755
Other non-current liabilities	47,588	41,058
Provisions for risks and charges	3,023	2,866
Total non-current liabilities	<u>429,576</u>	<u>438,964</u>
Liabilities available for sale	200	-
Total liabilities	<u>811,454</u>	<u>746,702</u>
 SHAREHOLDERS' EQUITY		
Share capital	55,696	55,431
Legal reserve	11,323	11,323
Share premium reserve	118,790	112,386
Reserve for valuation of hedging derivatives at fair value	-	(24)
Remeasurement reserve for defined benefit plans	(5,022)	(5,022)
Translation reserve	11,431	33,497
Other reserves	510,421	466,153
Group shareholders' equity	<u>702,639</u>	<u>673,744</u>
Minority interests	5,995	3,794
 Total shareholders' equity	<u>708,634</u>	<u>677,538</u>
Total shareholders' equity and liabilities	<u>1,520,088</u>	<u>1,424,240</u>



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H1 2017 Consolidated Income Statement

(€/000)	<u>2017</u>	<u>2016</u>
Net sales	558,751	472,468
Cost of goods sold	(343,842)	(300,172)
Gross industrial margin	214,909	172,296
<i>% of net sales</i>	38.5%	36.5%
Other operating income	8,113	7,234
Distribution expenses	(52,558)	(42,985)
General and administrative expenses	(63,099)	(54,371)
Other operating costs	(1,372)	(1,198)
EBIT	105,993	80,976
<i>% of net sales</i>	19.0%	17.1%
Financial income	6,286	3,967
Financial charges	(11,651)	(7,490)
Equity method contribution	35	(39)
Profit for the period before taxes	100,663	77,414
Income taxes	(34,403)	(28,279)
Consolidated profit for the period	66,260	49,135
<i>% of net sales</i>	11.9%	10.4%
Attributable to:		
Shareholders of Parent	65,624	48,868
Minority shareholders of subsidiaries	636	267
Consolidated profit for the period	66,260	49,135
EBITDA	130,763	102,336
<i>% of net sales</i>	23.4%	21.7%
Shareholders' equity	708,634	610,014
Net debt	319,109	309,775
Payables for purchase of shareholdings	57,862	30,918
Capital employed	<u>1,085,605</u>	<u>950,707</u>
Non-annualized ROCE	9.8%	8.5%
Non-annualized ROE	9.4%	8.1%
Basic earnings per share	0.614	0.461



H1 2017 Consolidated statement of comprehensive income

(€/000)	<u>2017</u>	<u>2016</u>
Consolidated profit for the first half-year (A)	66,260	49,135
Other comprehensive income which will subsequently be reclassified to consolidated profit or loss		
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	-	-
- Less: Adjustment for gains (losses) reclassified to the income statement	-	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>33</u>	<u>19</u>
<i>Total</i>	<i>33</i>	<i>19</i>
<i>Gains (losses) on translating the financial statements of foreign companies</i>	<i>(22,349)</i>	<i>(3,797)</i>
<i>Gains (losses) from companies accounted for using the equity method</i>	<i>(27)</i>	<i>(14)</i>
<i>Applicable taxes</i>	<u><i>(9)</i></u>	<u><i>(6)</i></u>
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>(22,352)</u>	<u>(3,798)</u>
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on the remeasurement of defined benefit plans</i>	-	<i>(72)</i>
<i>Relative taxation</i>	-	<u><i>20</i></u>
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss (C)	<u>-</u>	<u><i>(52)</i></u>
Consolidated comprehensive income for the first half-year (A)+(B)+(C)	<u>43,908</u>	<u>45,285</u>
Attributable to:		
Shareholders of Parent	43,582	45,202
Minority shareholders of subsidiaries	<u>326</u>	<u>83</u>
Consolidated comprehensive income for the first half-year	<u>43,908</u>	<u>45,285</u>



Q2 2017 Consolidated Income Statement

(€/000)	<u>2017</u>	<u>2016</u>
Net sales	286,010	245,760
Cost of goods sold	(175,541)	(155,382)
Gross industrial margin	110,469	90,378
<i>% of net sales</i>	38.6%	36.8%
Other operating income	4,260	3,923
Distribution expenses	(26,894)	(22,602)
General and administrative expenses	(31,844)	(27,462)
Other operating costs	(811)	(559)
EBIT	55,180	43,678
<i>% of net sales</i>	19.3%	17.8%
Financial income	3,011	1,580
Financial charges	(7,156)	(2,530)
Equity method contribution	-	17
Profit for the period before taxes	51,035	42,745
Income taxes	(17,311)	(15,477)
Consolidated profit for the period	33,724	27,268
<i>% of net sales</i>	11.8%	11.1%
Attributable to:		
Shareholders of Parent	33,492	27,203
Minority shareholders of subsidiaries	232	65
Consolidated profit for the period	33,724	27,268
EBITDA	67,927	54,699
<i>% of net sales</i>	23.7%	22.3%
Shareholders' equity	708,634	610,014
Net debt	319,109	309,775
Payables for purchase of shareholdings	57,862	30,918
Capital employed	1,085,605	950,707
Non-annualized ROCE	5.1%	4.6%
Non-annualized ROE	4.8%	4.5%
Basic earnings per share	0.313	0.258



Q2 2017 Consolidated statement of comprehensive income

(€/000)	2017	2016
Consolidated profit for the second quarter (A)	33,724	27,268
Other comprehensive income which will subsequently be reclassified to consolidated profit or loss		
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	-	-
- Less: Adjustment for gains (losses) reclassified to the income statement	(3)	(7)
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>11</u>	<u>(5)</u>
<i>Total</i>	8	(12)
<i>Gains (losses) on translating the financial statements of foreign companies</i>	(22,067)	7,105
<i>Gains (losses) from companies accounted for using the equity method</i>	(26)	3
<i>Applicable taxes</i>	<u>(2)</u>	<u>4</u>
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>(22,087)</u>	<u>7,100</u>
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on the remeasurement of defined benefit plans</i>	-	(72)
<i>Relative taxation</i>	-	<u>20</u>
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss (C)	<u>-</u>	<u>(52)</u>
Consolidated comprehensive income for the second quarter (A)+(B)+(C)	<u>11,637</u>	<u>34,316</u>
Attributable to:		
Shareholders of Parent	11,719	34,234
Minority shareholders of subsidiaries	<u>(82)</u>	<u>82</u>
Consolidated comprehensive income for the second quarter	<u>11,637</u>	<u>34,316</u>



H1 2017 Consolidated cash flow statement

(€/000)	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Profit before taxes	100,663	77,414
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(1,906)	(926)
Amortization and depreciation	23,869	20,879
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	869	854
Losses (profits) from investments	(35)	39
Net change in risk provisions and allocations to employee benefit provisions	368	(301)
Expenditures for tangible assets to be leased	(3,508)	(4,676)
Proceeds from the disposal of leased tangible assets	4,509	3,623
Net financial charges (revenues)	5,365	3,523
	<u>130,194</u>	<u>100,429</u>
(Increase) decrease in trade receivables and other current assets	(50,231)	(26,692)
(Increase) decrease in inventories	(22,455)	(15,003)
Increase (decrease) in trade payables and other current liabilities	33,700	15,334
Interest paid	(1,782)	(2,612)
Realized exchange differences	(992)	(1,122)
Taxes paid	(31,983)	(22,922)
Net cash from operating activities	<u>56,451</u>	<u>47,412</u>
Cash flows from investing activities		
Payments for the purchase of investments net of cash received	(70,381)	(26,092)
Sale of equity investments and business units including cash transferred	-	746
Capital expenditure on property, plant and equipment	(18,519)	(17,237)
Proceeds from the sale of tangible fixed assets	425	540
Proceeds from the sale of available-for-sale assets	865	-
Increase in intangible assets	(1,716)	(1,517)
Financial income received	240	216
Other	(165)	(53)
Net cash (used in) investing activities	<u>(89,251)</u>	<u>(43,397)</u>
Cash flows from financing activities		
Disbursements (repayments) of loans	(19,918)	41,516
Dividends paid	(21,276)	(21,031)
Payments for the purchase of treasury shares	-	(42,728)
Disposal of treasury shares to acquire equity investments	3,685	5,516
Proceeds from the sale of treasury shares to stock option beneficiaries	2,115	560
Disbursements (repayments) of shareholder loans	(51)	(7)
Change in other financial assets	88	(26)
Payment of finance lease installments (principal)	(1,095)	(1,302)
Net cash generated by (used in) financing activities	<u>(36,452)</u>	<u>(17,502)</u>
Net increase (decrease) in cash and cash equivalents	<u>(69,252)</u>	<u>(13,487)</u>



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(€/000)	<u>2017</u>	<u>2016</u>
Net increase (decrease) in cash and cash equivalents	<u>(69,252)</u>	<u>(13,487)</u>
Translation differences for cash held by non-EU companies	(2,687)	(652)
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	-	161
Cash and cash equivalents at the beginning of the period	<u>195,495</u>	<u>129,395</u>
Cash and cash equivalents at the end of the period	<u>123,556</u>	<u>115,417</u>

Cash and cash equivalents consist of the following:

	30/06/2017	31/12/2016
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	136,696	197,891
Bank payables (overdrafts and subject to collection advances)	<u>(13,140)</u>	<u>(2,396)</u>
Cash and cash equivalents as per the consolidated cash flow statement	<u>123,556</u>	<u>195,495</u>



Statement of changes in consolidated shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Reserve for valuation of derivatives at fair value	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholders' equity	Non-controlling interests	Total
<i>At 1 January 2016</i>	56,032	11,323	138,955	(13)	(3,501)	22,657	391,704	617,157	5,471	622,628
Recognition in the income statement of the fair value of stock options granted and exercisable	-	-	854	-	-	-	-	854	-	854
Purchase of treasury shares	(1,750)	-	(40,978)	-	-	-	-	(42,728)	-	(42,728)
Sale of treasury shares to stock option beneficiaries	62	-	498	-	-	-	-	560	-	560
Transfer of treasury shares as payment for equity investments	234	-	5,282	-	-	-	-	5,516	-	5,516
Purchase of residual interests in subsidiaries	-	-	-	-	-	43	52	95	(1,040)	(945)
Dividends distributed	-	-	-	-	-	-	(20,054)	(20,054)	(967)	(21,021)
Dividends approved	-	-	-	-	-	-	-	-	(135)	(135)
Comprehensive income for the first half of 2016	-	-	-	13	(52)	(3,627)	48,868	45,202	83	45,285
<i>At 30 June 2016</i>	54,578	11,323	104,611	-	(3,553)	19,073	420,570	606,602	3,412	610,014
Recognition in the income statement of the fair value of stock options granted and exercisable	-	-	879	-	-	-	-	879	-	879
Purchase of treasury shares	(22)	-	(2,330)	-	-	-	1,772	(580)	-	(580)
Sale of treasury shares to stock option beneficiaries	875	-	8,992	-	-	-	(937)	8,930	-	8,930
Transfer of treasury shares as payment for equity investments	-	-	234	-	-	-	(234)	-	-	-
Comprehensive income for the second half of 2016	-	-	-	(24)	(1,469)	14,424	44,982	57,913	382	58,295
<i>At 31 December 2016</i>	55,431	11,323	112,386	(24)	(5,022)	33,497	466,153	673,744	3,794	677,538
Recognition in the income statement of the fair value of stock options granted and exercisable	-	-	869	-	-	-	-	869	-	869
Sale of treasury shares to stock option beneficiaries	78	-	2,037	-	-	-	-	2,115	-	2,115
Transfer of treasury shares as payment for equity investments	187	-	3,498	-	-	-	-	3,685	-	3,685
Purchase of residual interests in subsidiaries	-	-	-	-	-	-	-	-	2,463	2,463
Dividends distributed	-	-	-	-	-	-	(21,276)	(21,276)	-	(21,276)
Dividends approved	-	-	-	-	-	-	(80)	(80)	(588)	(668)
Comprehensive income for the first half of 2017	-	-	-	24	-	(22,066)	65,624	43,582	326	43,908
<i>At 30 June 2017</i>	55,696	11,323	118,790	-	(5,022)	11,431	510,421	702,639	5,995	708,634