



**INTERPUMP
GROUP**

PRESS RELEASE

**INTERPUMP GROUP APPROVES
THE CONSOLIDATED RESULTS AT 30 JUNE 2020:
SOLID MARGINS AND LOWER DEBT**

Chairman Fulvio Montipò: “In the first half of the year, the effect of the pandemic on sales was limited by the recent acquisitions; Interpump confirmed the solidity of its income structure and the excellence of the EBITDA margin. Net debt was reduced through a virtuous decrease of net working capital.”

DATA FOR THE FIRST HALF OF 2020:

NET SALES: € 639.5 million (€ 703.2 mn in H1 2019)

EBITDA: € 139.2 million (€ 162.2 mn in H1 2019)

EBITDA/SALES: 21.8% (23.1% in H1 2019)

CONSOLIDATED NET PROFIT: € 63.5 million (€92.2 mn in H1 2019)

FREE CASH FLOW: € 98.3 million (€ 39.2 million in H1 2019)

NET DEBT: € 344.2 million (€ 370.8 million at 31/12/2019)

(after € 28.1 mn **dividends paid**, € 39.1 mn **disbursement for acquisitions** and € 20.9 mn in purchases of **treasury shares**)



DATA FOR THE SECOND QUARTER OF 2020:

NET SALES: € 295.6 million (€ 359.6 mn in Q2 2019)

EBITDA: € 64.9 million (€ 83.5 mn in Q2 2019)

EBITDA/SALES: 22.0% (23.2% in Q2 2019)

CONSOLIDATED NET PROFIT: € 30.2 million (€ 46.9 mn in Q2 2019)

S. Ilario d'Enza, 1 September 2020 – The Board of Directors of Interpump Group S.p.A. met today and approved the **half-year 2020 consolidated financial statements**.

H1 2020 CONSOLIDATED RESULTS

Net Sales for the first half of 2020 totaled 639.5 million euro, a decrease of 9.1% from the 703.2 million euro in the corresponding period of 2019.

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 the World</u>	<u>Total</u>
<i>H1 2020</i>						
Hydraulics	79.853	154.526	111.095	52.448	31.690	429.612
Water-Jetting	<u>18.153</u>	<u>75.286</u>	<u>67.335</u>	<u>28.972</u>	<u>20.178</u>	<u>209.924</u>
Total	<u>98.006</u>	<u>229.812</u>	<u>178.430</u>	<u>81.420</u>	<u>51.868</u>	<u>639.536</u>
<i>H1 2019</i>						
Hydraulics	98,499	172,297	112,335	43,762	47,510	474,403
Water-Jetting	<u>21,089</u>	<u>85,721</u>	<u>74,350</u>	<u>27,817</u>	<u>19,823</u>	<u>228,800</u>
Total	<u>119,588</u>	<u>258,018</u>	<u>186,685</u>	<u>71,579</u>	<u>67,333</u>	<u>703,203</u>

Organic growth, at unchanged perimeter and before the currency exchange, was -18.7% (-23.6% in Hydraulics, -8.7% in Water-Jetting)



EBITDA amounted to 139.2 million euro (21.8% of sales) compared to 162.2 million euro in the first half of 2019 (23.1% of sales). The following table sets out EBITDA by business sector:

	<i>H1 2020</i>	<i>% on</i>	<i>H1 2019</i>	<i>% on</i>	
	<u>€/000</u>	<u>sales</u>	<u>€/000</u>	<u>sales</u>	<u>Change</u>
Hydraulics	86,110	20.0%	101,430	21.4%	-15.1%
Water-Jetting	<u>53,140</u>	25.2%	<u>60,746</u>	26.4%	-12.5%
Total	<u>139,250</u>	21.8%	<u>162,176</u>	23.1%	-14.1%

Operating income (**EBIT**) was 92.0 million euro compared to 128.3 million euro in the first half of 2019.

Consolidated Net Profit for the first half of 2020 was 63.5 million euro (was 92.2 million euro in H1 2019). The decline is attributable to the slower business and higher net exchange losses due to the volatility of some currencies, both consequences of the pandemic, and a provision related to the future termination of office allowance assigned to the CEO and Chairman, in implementation of a Board resolution.

Net cash flow from operating activities was 117.3 million euro (144.2 million euro in H1 2019). **Free cash flow** in the first half of 2020 amounted to 98.3 million euro (39.2 million euro in the same period last year).

Net debt was 344.2 million euro (370.8 million euro at 31 December 2019). In the first half of the year, 20.9 million euro were spent to buy treasury shares, while disbursements for acquisitions amounted to 39.1 million euro. Additionally, at the end of June the Group had commitments for the acquisition of stakes in subsidiaries for a total of 62.4 million euro (54.3 million euro at 31/12/2019).

Capital employed rose from 1,480.2 million euro at 31 December 2019 to 1,500.7 million euro at 30 June 2020, mainly as a result of the acquisition of Transtecno. Non-annualized **ROCE** was 6.1% (9.4% in H1 2019). Non-annualized **ROE** was 5.8% (10.0% in H1 2019).

At 30 June 2020 Interpump Group S.p.A. had 1,430,006 **treasury shares** in its portfolio, representing 1.3133% of total share capital, purchased at an average cost of € 25.365.



Q2 2020 RESULTS

Net Sales for the second quarter of 2020 totaled 295.6 million euro, a decrease of 17.8% from the 359.6 million euro in the corresponding period of 2019.

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 the World</u>	<u>Total</u>
<i>Q2 2020</i>						
Hydraulics	35,692	71,274	47,692	29,017	10,989	194,664
Water-Jetting	<u>8,587</u>	<u>35,597</u>	<u>32,219</u>	<u>13,903</u>	<u>10,595</u>	<u>100,901</u>
Total	<u>44,279</u>	<u>106,871</u>	<u>79,911</u>	<u>42,920</u>	<u>21,584</u>	<u>295,565</u>
<i>Q2 2019</i>						
Hydraulics	48,931	87,032	59,439	23,285	22,760	241,447
Water-Jetting	<u>11,824</u>	<u>43,502</u>	<u>40,238</u>	<u>13,252</u>	<u>9,330</u>	<u>118,146</u>
Total	<u>60,755</u>	<u>130,534</u>	<u>99,677</u>	<u>36,537</u>	<u>32,090</u>	<u>359,593</u>

Organic growth, at unchanged perimeter and before the currency exchange, was -26.5% (-14.6% for Water-Jetting and -32.3% for Hydraulics)

EBITDA amounted to 64.9 million euro (22.0% of sales) compared to 83.5 million euro in the second quarter of 2019 (23.2% of sales)

Consolidated Net Profit for the second quarter of 2020 was 30.2 million euro, compared to 46.9 million euro for Q2 2019.

UPDATE ON COVID-19 PANDEMIC

After the interruptions and limitations brought about by the emergency situation in March and especially April, in almost all countries where the Group operates (with the exception of China where the interruption was in the first quarter), operations have resumed with different timing for each country. Sales registered the expected continuous improvement in the months of May, June and July, however – due to the persisting closure or inactivity of many customers – they are not back to pre-pandemic levels yet.

The impact on the Group's results was mitigated by a careful monitoring of the specific situation at a subsidiary level, and by the ability to react to events quickly, while ensuring at all times the utmost



INTERPUMP GROUP

respect of safety measures. As of today, no severe or fatal cases of Covid-19 have been reported throughout the Group's employees.

In the weeks following the end of the quarter, order intake showed signs of recovery which, if confirmed in the next months, could be indicative of a return towards normal business levels.

Pursuant to Article 65-bis, paragraph 2 of Consob Deliberation 11971/1999 as modified and supplemented, the **Half-Year Financial Statements at 30 June 2020** are **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), 1 September 2020

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), 1 September 2020

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>30/06/2020</u>	<u>31/12/2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	318,977	233,784
Trade receivables	254,238	284,842
Inventories	410,620	408,443
Tax receivables	22,134	24,337
Other current assets	<u>14,162</u>	<u>9,077</u>
Total current assets	<u>1,020,131</u>	<u>960,483</u>
Non-current assets		
Property, plant and equipment	484,671	484,358
Goodwill	542,177	508,670
Other intangible assets	45,505	32,527
Other financial assets	1,973	4,226
Tax receivables	927	1,590
Deferred tax assets	35,374	34,679
Other non-current assets	<u>2,199</u>	<u>2,150</u>
Total non-current assets	<u>1,112,826</u>	<u>1,068,200</u>
Total assets	<u>2,132,957</u>	<u>2,028,683</u>



INTERPUMP GROUP

(€/000)

LIABILITIES

Current liabilities

	<u>30/06/2020</u>	<u>31/12/2019</u>
Trade payables	133,115	157,413
Payables to banks	15,247	22,076
Interest bearing financial payables (current portion)	197,367	195,110
Taxes payable	21,770	14,965
Other current liabilities	78,535	90,230
Provisions for risks and charges	4,419	4,055
Total current liabilities	<u>450,453</u>	<u>483,849</u>

Non-current liabilities

Interest-bearing financial payables	450,518	387,412
Liabilities for employee benefits	22,784	21,402
Deferred tax liabilities	45,261	42,154
Tax liabilities	142	125
Other non-current liabilities	59,037	35,610
Provisions for risks and charges	10,580	3,057
Total non-current liabilities	<u>588,322</u>	<u>489,760</u>
Total liabilities	<u>1,038,775</u>	<u>973,609</u>

SHAREHOLDERS' EQUITY

Share capital	55,873	55,460
Legal reserve	11,323	11,323
Share premium reserve	104,908	96,733
Remeasurement reserve for defined benefit plans	(7,358)	(7,358)
Translation reserve	(1,095)	7,735
Other reserves	921,065	885,446
Group shareholders' equity	<u>1,084,716</u>	<u>1,049,339</u>
Minority interests	9,466	5,735
Total shareholders' equity	<u>1,094,182</u>	<u>1,055,074</u>
Total shareholders' equity and liabilities	<u>2,132,957</u>	<u>2,028,683</u>



INTERPUMP GROUP

Consolidated income statement for the first half-year

(€/000)	<u>2020</u>	<u>2019</u>
Net sales	639,536	703,203
Cost of sales	(411,650)	(446,587)
Gross industrial margin	227,886	256,616
<i>% of net sales</i>	<i>35.6%</i>	<i>36.5%</i>
Other operating income	8,864	10,124
Distribution expenses	(58,801)	(62,847)
General and administrative expenses	(75,732)	(72,452)
Other operating costs	(10,250)	(3,160)
EBIT	91,967	128,281
<i>% of net sales</i>	<i>14.4%</i>	<i>18.2%</i>
Financial income	6,867	6,160
Financial charges	(11,915)	(7,162)
Equity method contribution	113	(3)
Profit for the period before taxes	87,032	127,276
Income taxes	(23,564)	(35,063)
Consolidated profit for the period	63,468	92,213
<i>% of net sales</i>	<i>9.9%</i>	<i>13.1%</i>
Attributable to:		
Shareholders of Parent	62,517	91,511
Minority shareholders of subsidiaries	951	702
Consolidated profit for the period	63,468	92,213
EBITDA	139,250	162,176
<i>% of net sales</i>	<i>21.8%</i>	<i>23.1%</i>
Shareholders' equity	1,094,182	926,490
Net debt	344,155	390,970
Payables for purchase of shareholdings	62,392	40,235
Capital employed	1,500,729	1,357,695
Non-annualized ROCE	6.1%	9.4%
Non-annualized ROE	5.8%	10.0%
Basic earnings per share	0.584	0.867



Consolidated statement of comprehensive income for the first half-year

(€/000)	<u>2020</u>	<u>2019</u>
Consolidated profit for the first half-year (A)	63,468	92,213
Other comprehensive income which will subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	(9,065)	2,686
<i>Gains (losses) from companies accounted for using the equity method</i>	(62)	18
<i>Applicable taxes</i>	<u>-</u>	<u>-</u>
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>(9,127)</u>	<u>2,704</u>
Consolidated comprehensive income for the period (A)+(B)	<u>54,341</u>	<u>94,917</u>
Attributable to:		
Shareholders of Parent	53,687	94,091
Minority shareholders of subsidiaries	<u>654</u>	<u>826</u>
Consolidated comprehensive income for the first half-year	<u>54,341</u>	<u>94,917</u>



INTERPUMP GROUP

Consolidated income statement for the second quarter

(€/000)	<u>2020</u>	<u>2019</u>
Net sales	295,565	359,593
Cost of sales	(190,336)	(227,701)
Gross industrial margin	105,229	131,892
<i>% of net sales</i>	<i>35.6%</i>	<i>36.7%</i>
Other operating income	4,098	5,172
Distribution expenses	(27,152)	(32,150)
General and administrative expenses	(36,120)	(36,735)
Other operating costs	(4,278)	(2,314)
EBIT	41,777	65,865
<i>% of net sales</i>	<i>14.1%</i>	<i>18.3%</i>
Financial income	2,165	2,333
Financial charges	(3,204)	(3,637)
Equity method contribution	50	(78)
Profit for the period before taxes	40,788	64,483
Income taxes	(10,616)	(17,537)
Consolidated profit for the period	30,172	46,946
<i>% of net sales</i>	<i>10.2%</i>	<i>13.1%</i>
Attributable to:		
Shareholders of Parent	29,381	46,617
Minority shareholders of subsidiaries	791	329
Consolidated profit for the period	30,172	46,946
EBITDA	64,904	83,536
<i>% of net sales</i>	<i>22.0%</i>	<i>23.2%</i>
Shareholders' equity	1,094,182	926,490
Net debt	344,155	390,970
Payables for purchase of shareholdings	62,392	40,235
Capital employed	1,500,729	1,357,695
Non-annualized ROCE	2.8%	4.9%
Non-annualized ROE	2.8%	5.1%
Basic earnings per share	0.273	0.441



Consolidated statement of comprehensive income for the second quarter

(€/000)	<u>2020</u>	<u>2019</u>
Consolidated profit for the second quarter (A)	30,172	46,946
<i>Gains (losses) on translating the financial statements of foreign companies</i>	(5,462)	(5,404)
<i>Gains (losses) from companies accounted for using the equity method</i>	(4)	(10)
<i>Applicable taxes</i>	=	=
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>(5,466)</u>	<u>(5,414)</u>
Consolidated comprehensive income for the period (A)+(B)	<u>24,706</u>	<u>41,532</u>
Attributable to:		
Shareholders of Parent	23,979	41,316
Minority shareholders of subsidiaries	727	216
Consolidated comprehensive income for the second quarter	<u>24,706</u>	<u>41,532</u>



Consolidated cash flow statement for the first half-year

(€/000)	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Profit before taxes	87,032	127,276
<i>Adjustments for non-cash items:</i>		
Losses (gains) on the sale of fixed assets	(958)	(1,395)
Amortization and depreciation	39,150	33,339
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	1,615	914
Losses (profits) from investments	(113)	3
Net change in risk provisions and allocations to employee benefit provisions	7,827	(205)
Expenditures for tangible assets to be leased	(2,936)	(2,871)
Proceeds from the disposal of leased tangible assets	1,705	5,235
Net financial charges (revenues)	5,048	1,002
	<u>138,370</u>	<u>163,298</u>
(Increase) decrease in trade receivables and other current assets	35,073	(45,376)
(Increase) decrease in inventories	5,284	(24,144)
Increase (decrease) in trade payables and other current liabilities	(21,853)	6,733
Interest paid	(2,537)	(2,699)
Realized exchange differences	(1,317)	309
Taxes paid	(17,215)	(16,697)
Net cash from operating activities	<u>135,805</u>	<u>81,424</u>
Cash flows from investing activities		
Payments for the purchase of investments net of cash received and gross of treasury shares transferred	(31,061)	(26,272)
Capital expenditure on property, plant and equipment	(28,520)	(34,647)
Proceeds from the sale of tangible fixed assets	820	930
Increase in intangible assets	(1,867)	(1,372)
Financial income received	635	406
Other	672	93
Net cash (used in) investing activities	<u>(59,321)</u>	<u>(60,862)</u>
Cash flows from financing activities		
Disbursements (repayments) of loans	62,587	40,427
Dividends paid	(28,079)	(23,703)
Disbursements for purchase of treasury shares	(20,911)	(14,859)
Proceeds from the sale of treasury shares to stock option beneficiaries	13,834	360
Repayment (grant) of leases to subsidiaries not consolidated line-by-line	-	(150)
Change in other financial assets	(472)	(39)
Payment of finance lease installments (principal)	(9,460)	(8,355)
Net cash generated by (used in) financing activities	<u>17,499</u>	<u>(6,319)</u>
Net increase (decrease) in cash and cash equivalents	<u>93,983</u>	<u>14,243</u>



INTERPUMP GROUP

(€/000)	<u>2020</u>	<u>2019</u>
Net increase (decrease) in cash and cash equivalents	93,983	14,243
Translation differences for cash held by non-EU companies	(2,009)	150
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	48	(34)
Cash and cash equivalents at the beginning of the period	211,708	96,736
Cash and cash equivalents at the end of the period	303,730	111,095

Cash and cash equivalents consist of the following:

	30/06/2020	31/12/2019
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	318,977	233,784
Bank payables (overdrafts and subject to collection advances)	<u>(15,247)</u>	<u>(22,076)</u>
Cash and cash equivalents as per the consolidated cash flow statement	<u>303,730</u>	<u>211,708</u>



Consolidated statement of changes in shareholders' equity

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Share premium reserve</i>	<i>Remeasurement reserve for defined benefit plans</i>	<i>Translation reserve</i>	<i>Other reserves</i>	<i>Group shareholders' equity</i>	<i>Non-controlling interests</i>	<i>Total</i>
<i>At 1 January 2019</i>	54,842	11,323	71,229	(5,965)	3,142	729,373	863,944	4,961	868,905
Recognition in income statement of fair value of stock options granted and exercisable	-	-	914	-	-	-	914	-	914
Purchase of treasury shares	(286)	-	(14,573)	-	-	-	(14,859)	-	(14,859)
Transfer of treasury shares to stock option beneficiaries	31	-	329	-	-	-	360	-	360
Dividends paid	-	-	-	-	-	(23,147)	(23,147)	(547)	(23,694)
Dividends resolved (third parties)	-	-	-	-	-	(53)	(53)	-	(53)
Comprehensive income (loss) for first half of 2019	-	-	-	-	2,580	91,511	94,091	826	94,917
<i>At 30 June 2019</i>	54,587	11,323	57,899	(5,965)	5,722	797,684	921,250	5,240	926,490
Recognition in income statement of fair value of stock options granted and exercisable	-	-	1,671	-	-	-	1,671	-	1,671
Purchase of treasury shares	(1,243)	-	(62,891)	-	-	-	(64,134)	-	(64,134)
Transfer of treasury shares to stock option beneficiaries	140	-	3,323	-	-	-	3,463	-	3,463
Transfer of treasury shares as payment for equity investments	1,976	-	96,731	-	-	-	98,707	-	98,707
Reggiana Riduttori minorities	-	-	-	--	-	-	-	175	175
Purchase of residual share of subsidiaries	-	-	-	-	-	103	103	(153)	(50)
Dividends distributed	-	-	-	-	-	(53)	(53)	(128)	(181)
Dividends resolved (third parties)	-	-	-	-	-	53	53	(99)	(46)
Comprehensive income (loss) for second half of 2019	-	-	-	(1,393)	2,013	87,659	88,279	700	88,979
<i>At 31 December 2019</i>	55,460	11,323	96,733	(7,358)	7,735	885,446	1,049,339	5,735	1,055,074
Recognition in income statement of fair value of stock options granted and exercisable	-	-	1,615	-	-	-	1,615	-	1,615
Purchase of treasury shares	(399)	-	(20,512)	-	-	-	(20,911)	-	(20,911)
Transfer of treasury shares to stock option beneficiaries	558	-	13,276	-	-	-	13,834	-	13,834
Transfer of treasury shares as payment for equity investments	254	-	13,796	-	-	-	14,050	-	14,050
IGT minorities	-	-	-	-	-	-	-	472	472
Transtecno minorities	-	-	-	-	-	-	-	3,820	3,820
Dividends paid	-	-	-	-	-	(26,850)	(26,850)	(1,214)	(28,064)
Dividends resolved	-	-	-	-	-	(48)	(48)	(1)	(49)
Comprehensive income (loss) for first half of 2020	-	-	-	-	(8,830)	62,517	53,687	654	54,341
<i>At 30 June 2020</i>	55,873	11,323	104,908	(7,358)	(1,095)	921,065	1,084,716	9,466	1,094,182