



**INTERPUMP
GROUP**

PRESS RELEASE

**INTERPUMP GROUP APPROVES
THE CONSOLIDATED RESULTS AT 30 SEPTEMBER 2020:
A QUARTER OF RECOVERY**

Chairman Fulvio Montipò: “The third quarter registered a much-awaited improvement compared to the previous periods; in this quarter, Interpump improved the EBITDA margin, achieved a very good cash generation, and reduced net debt”

DATA FOR THE THIRD QUARTER OF 2020:

NET SALES: € 314.7 million (€ 322.9 mn in Q3 2019)

EBITDA: € 76.0 million (€ 78.1 mn in Q3 2019)

EBITDA/SALES: 24.2% (24.2% in Q3 2019)

CONSOLIDATED NET PROFIT: € 39.5 million (€ 43.3 mn in Q3 2019)

DATA FOR THE FIRST NINE MONTHS OF 2020:

NET SALES: € 954.2 million (€ 1,026.1 mn in 9M 2019)

EBITDA: € 215.3 million (€ 240.3 mn in 9M 2019)

EBITDA/SALES: 22.6% (23.4% in 9M 2019)

CONSOLIDATED NET PROFIT: € 103.0 million (€135.5 mn in 9M 2019)

FREE CASH FLOW: € 148.6 million (€ 76.0 million in 9M 2019)

NET DEBT: € 310.7 million (€ 370.8 million at 31/12/2019)

(after € 28.2 mn **dividends paid**, € 48.4 mn **disbursement for acquisitions** and € 31.8 mn in purchases of **treasury shares**)



S. Ilario d'Enza, 10 November 2020 – The Board of Directors of Interpump Group S.p.A. met today and approved the **consolidated Interim Report at 30/09/2020**.

Q3 2020 RESULTS

Net Sales for the third quarter of 2020 totaled 314.7 million euro, a decrease of 2.5% from the 322.9 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>Q3 2020</i>						
Hydraulics	38,836	74,948	49,958	30,238	21,293	215,273
Water-Jetting	<u>8,085</u>	<u>38,943</u>	<u>30,866</u>	<u>14,832</u>	<u>6,702</u>	<u>99,428</u>
Total	<u>46,921</u>	<u>113,891</u>	<u>80,824</u>	<u>45,070</u>	<u>27,995</u>	<u>314,701</u>
<i>Q3 2019</i>						
Hydraulics	39,320	72,772	56,366	19,408	18,962	206,828
Water-Jetting	<u>9,901</u>	<u>42,422</u>	<u>36,168</u>	<u>18,955</u>	<u>8,656</u>	<u>116,102</u>
Total	<u>49,221</u>	<u>115,194</u>	<u>92,534</u>	<u>38,363</u>	<u>27,618</u>	<u>322,930</u>

Organic growth, at unchanged perimeter and before the currency exchange, was -10.8% (-13.1% for Water-Jetting and -9.5% for Hydraulics)

EBITDA amounted to 76.0 million euro (24.2% of sales) compared to 78.1 million euro in the third quarter of 2019 (also 24.2% of sales)

Consolidated Net Profit for the third quarter of 2020 was 39.5 million euro, compared to 43.3 million euro for Q3 2019.



CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2020

Net Sales for the first nine months of 2020 totaled 954.2 million euro, a decrease of 7.0% from the 1,026.1 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>9M 2020</i>						
Hydraulics	118,689	229,474	161,053	82,686	52,983	644,885
Water-Jetting	<u>26,238</u>	<u>114,229</u>	<u>98,201</u>	<u>43,804</u>	<u>26,880</u>	<u>309,352</u>
Total	<u>144,927</u>	<u>343,703</u>	<u>259,254</u>	<u>126,490</u>	<u>79,863</u>	<u>954,237</u>
<i>9M 2019</i>						
Hydraulics	137,819	245,069	168,701	63,170	66,472	681,231
Water-Jetting	<u>30,990</u>	<u>128,143</u>	<u>110,518</u>	<u>46,772</u>	<u>28,479</u>	<u>344,902</u>
Total	<u>168,809</u>	<u>373,212</u>	<u>279,219</u>	<u>109,942</u>	<u>94,951</u>	<u>1,026,133</u>

Organic growth, at unchanged perimeter and before the currency exchange, was -16.2% (-19.3% in Hydraulics, -10.2% in Water-Jetting)

EBITDA amounted to 215.3 million euro (22.6% of sales) compared to 240.2 million euro in the first nine months of 2019 (23.4% of sales). The following table sets out EBITDA by business sector:

	<u>9M 2020</u>	<u>% on sales</u>	<u>9M 2019</u>	<u>% on sales</u>	<u>Change</u>
	<u>€/000</u>		<u>€/000</u>		
Hydraulics	132,885	20.6%	144,598	21.2%	-8.1%
Water-Jetting	<u>82,369</u>	26.5%	<u>95,687</u>	27.6%	-13.9%
Total	<u>215,254</u>	22.6%	<u>240,285</u>	23.4%	-10.4%



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Operating income (**EBIT**) was 148.5 million euro compared to 189.1 million euro in the first nine months of 2019.

Consolidated Net Profit for the first nine months of 2020 was 103.0 million euro (was 135.5 million euro in 9M 2019).

Net cash flow from operating activities was 182.5 million euro (195.3 million euro in the corresponding period of 2019). **Free cash flow** in the first nine months amounted to 148.6 million euro (76.0 million euro in the first nine months of 2019).

Net debt at 30 September 2020 was 310.7 million euro (370.8 million euro at 31 December 2019). In the first nine months of the year, 31.8 million euro were spent in treasury shares, while disbursements for acquisitions amounted to 48.4 million euro. Additionally, at the end of September the Group had commitments for the acquisition of stakes in subsidiaries for a total of 58.0 million euro (54.3 million euro at 31/12/2019).

Capital employed went from 1,480.2 million euro at 31 December 2019 to 1,478.1 million euro at 30 September 2020, due to the opposite effects of the reduction of net working capital, on one side, and the acquisition of Transtecno on the other. Non-annualized **ROCE** was 10.0% (13.7% in 9M 2019). Non-annualized **ROE** was 9.3% (14.2% in 9M 2019).

At 30 September 2020 Interpump Group S.p.A. had 1,770,006 **treasury shares** in its portfolio, representing 1.625% of total share capital, purchased at an average cost of € 26.171.

UPDATE ON COVID-19 PANDEMIC

The third quarter and the following weeks saw the continuation of the much-awaited increase trend in both sales and orders, which brought as a consequence the pickup of activity at all Group production sites.

Thanks also to strict compliance with safety provisions, both legal and corporate, Interpump's working environments can be considered to be at almost negligible risk of infection. The only fatal case of Covid-19 among the Group's 8,000+ employees, registered in the United States, has been traced back to a contagion occurred outside of the workplace.

Pursuant to Article 65-bis, paragraph 2 of Consob Deliberation 11971/1999 as modified and supplemented, the **Interim Report at 30 September 2020** 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



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“Investor relations” section of the Group’s website www.interpumpgroup.it, as well on the www.emarketstorage.com repository.

S. Ilario d’Enza (RE), 10 November 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), 10 November 2020

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

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Consolidated Statement of financial position

(€/000)	<u>30/09/2020</u>	<u>31/12/2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	290,254	233,784
Trade receivables	256,500	284,842
Inventories	393,193	408,443
Tax receivables	19,969	24,337
Other current assets	<u>12,603</u>	<u>9,077</u>
Total current assets	<u>972,519</u>	<u>960,483</u>
Non-current assets		
Property, plant and equipment	478,674	484,358
Goodwill	541,654	508,670
Other intangible assets	44,483	32,527
Other financial assets	2,224	4,226
Tax receivables	902	1,590
Deferred tax assets	34,762	34,679
Other non-current assets	<u>2,159</u>	<u>2,150</u>
Total non-current assets	<u>1,104,858</u>	<u>1,068,200</u>
Total assets	<u>2,077,377</u>	<u>2,028,683</u>



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(€/000)

LIABILITIES

Current liabilities

	<u>30/09/2020</u>	<u>31/12/2019</u>
Trade payables	133,164	157,413
Payables to banks	11,280	22,076
Interest bearing financial payables (current portion)	166,807	195,110
Taxes payable	20,865	14,965
Other current liabilities	72,366	90,230
Provisions for risks and charges	4,403	4,055
Total current liabilities	<u>408,885</u>	<u>483,849</u>

Non-current liabilities

Interest-bearing financial payables	422,843	387,412
Liabilities for employee benefits	23,161	21,402
Deferred tax liabilities	43,864	42,154
Tax liabilities	133	125
Other non-current liabilities	58,601	35,610
Provisions for risks and charges	10,505	3,057
Total non-current liabilities	<u>559,107</u>	<u>489,760</u>
Total liabilities	<u>967,992</u>	<u>973,609</u>

SHAREHOLDERS' EQUITY

Share capital	55,696	55,460
Legal reserve	11,323	11,323
Share premium reserve	95,438	96,733
Remeasurement reserve for defined benefit plans	(7,358)	(7,358)
Translation reserve	(15,597)	7,735
Other reserves	959,991	885,446
Group shareholders' equity	<u>1,099,493</u>	<u>1,049,339</u>
Minority interests	9,892	5,735
Total shareholders' equity	<u>1,109,385</u>	<u>1,055,074</u>
Total shareholders' equity and liabilities	<u>2,077,377</u>	<u>2,028,683</u>



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Consolidated income statement for the first nine months

(€/000)	<u>2020</u>	<u>2019</u>
Net sales	954,237	1,026,133
Cost of sales	(611,700)	(648,922)
Gross industrial margin	342,537	377,211
<i>% of net sales</i>	35.9%	36.8%
Other operating income	13,255	14,492
Distribution expenses	(84,970)	(91,563)
General and administrative expenses	(110,819)	(107,111)
Other operating costs	(11,519)	(3,965)
EBIT	148,484	189,064
<i>% of net sales</i>	15.6%	18.4%
Financial income	9,164	9,356
Financial charges	(17,253)	(10,941)
Equity method contribution	155	23
Profit for the period before taxes	140,550	187,502
Income taxes	(37,543)	(51,993)
Consolidated profit for the period	103,007	135,509
<i>% of net sales</i>	10.8%	13.2%
Attributable to:		
Shareholders of Parent	101,443	134,575
Minority shareholders of subsidiaries	1,564	934
Consolidated profit for the period	103,007	135,509
EBITDA	215,254	240,285
<i>% of net sales</i>	22.6%	23.4%
Shareholders' equity	1,109,385	951,992
Net debt	310,676	382,895
Payables for purchase of shareholdings	58,021	40,376
Capital employed	1,478,082	1,375,263
Non-annualized ROCE	10.0%	13.7%
Non-annualized ROE	9.3%	14.2%
Basic earnings per share	0.946	1.280



Consolidated statement of comprehensive income for the first nine months

(€/000)	<u>2020</u>	<u>2019</u>
Consolidated profit for the first half-year (A)	103,007	135,509
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>	(23,726)	14,872
<i>Gains (losses) from companies accounted for using the equity method</i>	(81)	20
<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>(23,807)</u>	<u>14,892</u>
Consolidated comprehensive income for the period (A)+(B)	<u>79,200</u>	<u>150,401</u>
Attributable to:		
Shareholders of Parent	78,111	149,320
Minority shareholders of subsidiaries	<u>1,089</u>	<u>1,081</u>
Consolidated comprehensive income for the first half-year	<u>79,200</u>	<u>150,401</u>



Consolidated income statement for the third quarter

(€/000)	<u>2020</u>	<u>2019</u>
Net sales	314,701	322,930
Cost of sales	(200,050)	(202,335)
Gross industrial margin	114,651	120,595
<i>% of net sales</i>	<i>36.4%</i>	<i>37.3%</i>
Other operating income	4,391	4,368
Distribution expenses	(26,169)	(28,716)
General and administrative expenses	(35,087)	(34,659)
Other operating costs	(1,269)	(805)
EBIT	56,517	60,783
<i>% of net sales</i>	<i>18.0%</i>	<i>18.8%</i>
Financial income	2,300	3,196
Financial charges	(5,341)	(3,779)
Equity method contribution	42	26
Profit for the period before taxes	53,518	60,226
Income taxes	(13,979)	(16,930)
Consolidated profit for the period	39,539	43,296
<i>% of net sales</i>	<i>12.6%</i>	<i>13.4%</i>
Attributable to:		
Shareholders of Parent	38,926	43,064
Minority shareholders of subsidiaries	613	232
Consolidated profit for the period	39,539	43,296
EBITDA	76,004	78,109
<i>% of net sales</i>	<i>24.2%</i>	<i>24.2%</i>
Shareholders' equity	1,109,385	951,992
Net debt	310,676	382,895
Payables for purchase of shareholdings	58,021	40,376
Capital employed	1,478,082	1,375,263
Non-annualized ROCE	3.8%	4.4%
Non-annualized ROE	3.6%	4.5%
Basic earnings per share	0.363	0.411



Consolidated statement of comprehensive income for the third quarter

(€/000)	<u>2020</u>	<u>2019</u>
Consolidated profit for the second quarter (A)	39,539	43,296
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>	(14,661)	12,186
<i>Gains (losses) from companies accounted for using the equity method</i>	(19)	2
<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>(14,680)</u>	<u>12,188</u>
Consolidated comprehensive income for the period (A)+(B)	<u>24,859</u>	<u>55,484</u>
Attributable to:		
Shareholders of Parent	24,424	55,229
Minority shareholders of subsidiaries	435	255
Consolidated comprehensive income for the second quarter	<u>24,859</u>	<u>55,484</u>



Consolidated cash flow statement for the first nine months

(€/000)	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Profit before taxes	140,550	187,502
<i>Adjustments for non-cash items:</i>		
Losses (gains) on the sale of fixed assets	(2,018)	(2,028)
Amortization and depreciation	58,364	50,341
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	2,460	1,761
Losses (profits) from investments	(155)	(23)
Net change in risk provisions and allocations to employee benefit provisions	7,690	(89)
Expenditures for tangible assets to be leased	(3,566)	(4,450)
Proceeds from the disposal of leased tangible assets	4,187	6,702
Net financial charges (revenues)	8,089	1,585
	<u>215,601</u>	<u>241,301</u>
(Increase) decrease in trade receivables and other current assets	34,058	(9,009)
(Increase) decrease in inventories	17,815	(18,552)
Increase (decrease) in trade payables and other current liabilities	(27,973)	(26,156)
Interest paid	(3,658)	(4,178)
Realized exchange differences	(2,475)	799
Taxes paid	(26,937)	(42,660)
Net cash from operating activities	<u>206,431</u>	<u>141,545</u>
Cash flows from investing activities		
Payments for the purchase of investments net of cash received	(39,092)	(26,413)
Capital expenditure on property, plant and equipment	(44,052)	(54,305)
Proceeds from the sale of tangible fixed assets	1,198	1,155
Increase in intangible assets	(2,876)	(1,974)
Financial income received	829	706
Other	877	217
Net cash (used in) investing activities	<u>(83,116)</u>	<u>(80,614)</u>
Cash flows from financing activities		
Disbursements (repayments) of loans	7,160	49,485
Dividends paid	(28,185)	(23,752)
Disbursements for purchase of treasury shares	(31,847)	(48,764)
Proceeds from the sale of treasury shares to stock option beneficiaries	14,278	3,436
Repayment (grant) of leases to subsidiaries not consolidated line-by-line	-	(384)
Change in other financial assets	21	(48)
Payment of finance lease installments (principal)	(13,764)	(12,538)
Net cash generated by (used in) financing activities	<u>(52,337)</u>	<u>(32,565)</u>
Net increase (decrease) in cash and cash equivalents	<u>70,978</u>	<u>28,366</u>



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(€/000)	<u>2020</u>	<u>2019</u>
Net increase (decrease) in cash and cash equivalents	70,978	28,366
Translation differences for cash held by non-EU companies	(3,760)	1,229
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	278,974	126,927

Cash and cash equivalents consist of the following:

	30/09/2020	31/12/2019
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	290,254	233,784
Bank payables (overdrafts and subject to collection advances)	<u>(11,280)</u>	<u>(22,076)</u>
Cash and cash equivalents as per the consolidated cash flow statement	<u>278,974</u>	<u>211,708</u>



Consolidated statement of changes in shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholders' equity	Non-controlling interests	Total
<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	-	-	1,761	-	-	-	1,761	-	1,761
Purchase of treasury shares	(945)	-	(47,819)	-	-	-	(48,764)	-	(48,764)
Transfer of treasury shares to stock option beneficiaries	155	-	3,281	-	-	-	3,436	-	3,436
Dividends paid	-	-	-	-	-	(23,200)	(23,200)	(547)	(23,747)
Comprehensive income (loss) for first nine months of 2019	-	-	-	-	14,745	134,575	149,320	1,081	150,401
<i>At 30 September 2019</i>	54,052	11,323	28,452	(5,965)	17,887	840,748	946,497	5,495	951,992
Recognition in income statement of fair value of stock options granted and exercisable	-	-	824	-	-	-	824	-	824
Transfer of treasury shares to stock option beneficiaries	16	-	371	-	-	-	387	-	387
Transfer of treasury shares as payment for equity investments	1,976	-	96,731	-	-	-	98,707	-	98,707
Purchase of treasury shares	(584)	-	(29,645)	-	-	-	(30,229)	-	(30,229)
Dividends distributed	-	-	-	-	-	-	-	(128)	(128)
Dividends resolved (third parties)	-	-	-	-	-	-	-	(99)	(99)
Reggiana Riduttori minorities	-	-	-	-	-	-	-	175	175
Purchase of residual share of subsidiaries	-	-	-	-	-	103	103	(153)	(50)
Comprehensive income (loss) for the fourth quarter of 2019	-	-	-	(1,393)	(10,152)	44,595	33,050	445	33,495
<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	-	-	2,460	-	-	-	2,460	-	2,460
Purchase of treasury shares	(594)	-	(31,253)	-	-	-	(31,847)	-	(31,847)
Transfer of treasury shares to stock option beneficiaries	576	-	13,702	-	-	-	14,278	-	14,278
Transfer of treasury shares as payment for equity investments	254	-	13,796	-	-	-	14,050	-	14,050
Minorities of subsidiaries consolidated for the first time	-	-	-	-	-	-	-	4,283	4,283
Dividends paid	-	-	-	-	-	(26,898)	(26,898)	(1,215)	(28,113)
Comprehensive income (loss) for first nine month of 2020	-	-	-	-	(23,332)	101,443	78,111	1,089	79,200
<i>At 30 September 2020</i>	55,696	11,323	95,438	(7,358)	(15,597)	959,991	1,099,493	9,892	1,109,385