



INTERPUMP GROUP APPROVES THE Q1 2022 CONSOLIDATED RESULTS

Chairman Fulvio Montipò:

“The Q1 2022 results confirm the Group's extraordinary ability to maintain a healthy stability index in terms of profitability and growth performance. Despite the presence of an extremely challenging scenario - geopolitical situation, pandemic, and inflation with raw material and energy prices soaring out of control - we believe that 2Q also will confirm the excellent performance figures”

Net sales: €488.7m, +30.1% compared to Q1 2021
(+15.5% excluding White Drive)

EBITDA: €114.2m, +24.9% compared to Q1 2021
and with **EBITDA of 23.4%** (**23.9%** excluding White Drive)
versus the 24.4% of the corresponding period in 2021

Consolidated net profit: €66.1m, +22.8% compared to Q1 2021

Net financial position: €530.3m compared to the €494.9m at 31 December 2021
(in the period: **expenditure of €25.4m** and **purchase of treasury shares for €49.3m**)

S. Ilario d'Enza (RE), 13 May 2022 – The Board of Directors of Interpump Group S.p.A., at its meeting held this day under the Chairmanship of Fulvio Montipò, approved the results for **1Q2022**.

Net sales

Net sales in Q1 2022 totalled €488.7m, up by 30.1% over the €375.6m in the equivalent period of the prior year (+15.5% at constant perimeters). In the breakdown by Group business divisions, the Hydraulic division recorded growth of 36.7% (+16.1% at constant perimeters) while the Water-jetting division grew by 13.9% (the Water-jetting division was unaffected by changes in the scope of consolidation).



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Sales by business sector and geographical area were as follows:

1Q2022

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Far-East and Oceania</u>	<u>Rest of the World</u>	<u>Total</u>
Hydraulics	68,133	135,617	92,818	38,093	30,188	364,849
Water-Jetting	<u>12,740</u>	<u>40,856</u>	<u>45,212</u>	<u>13,770</u>	<u>11,253</u>	<u>123,831</u>
Consolidated	<u>80,873</u>	<u>176,473</u>	<u>138,030</u>	<u>51,863</u>	<u>41,441</u>	<u>488,680</u>

1Q2021

Hydraulics	53,853	93,252	58,685	33,113	27,982	266,885
Water-Jetting	<u>10,395</u>	<u>39,197</u>	<u>35,946</u>	<u>15,357</u>	<u>7,789</u>	<u>108,684</u>
Total	<u>64,248</u>	<u>132,449</u>	<u>94,631</u>	<u>48,470</u>	<u>35,771</u>	<u>375,569</u>

2022/2021 percentage changes

Hydraulics	+26.5%	+45.4%	+58.2%	+15.0%	+7.9%	+36.7%
Water-Jetting	+22.6%	+4.2%	+25.8%	-10.3%	+44.5%	+13.9%
Total	+25.9%	+33.2%	+45.9%	+7.0%	+15.9%	+30.1%

“At constant perimeters” changes are as follows:

2022/2021 percentage changes

Hydraulics	+19.7%	+19.6%	+19.3%	+5.2%	+4.0%	+16.1%
Water-Jetting	+22.6%	+4.2%	+25.8%	-10.3%	+44.5%	+13.9%
Total	+20.2%	+15.1%	+21.7%	+0.3%	+12.8%	+15.5%

From an organic perspective,¹ the Group recorded a rise of 12.6%, with the Hydraulic and Water-Jetting divisions increasing by 13.4% and 10.6% respectively.

Profitability

EBITDA for 1Q2022 totalled €114.2m, up by 24.9% versus the €91.5m of the equivalent period in the prior year, and with a 23.4% incidence on sales (23.9% excluding White Drive) compared to the 24.4% of Q1 2021. The dilution reflects consolidation of White Drive Products’ operations on the one hand, and the impact of inflationary forces on the other, although the effects are being gradually mitigated by the countermeasures adopted by the Group.

¹ At constant perimeters and exchange rate. With respect to 2021 results the change in the scope of consolidation is referred exclusively to White Drive Products and its subsidiaries (acquired on 1st October 2021) because the merger between Berma (acquired on 11st November 2021) and the Reggiana Riduttori subsidiary was completed on 28th February 2022.



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The following table sets out EBITDA by business sector:

	<i>1Q2022</i>	<i>% on</i>	<i>1Q2021</i>	<i>% on</i>	<i>Increase/</i>
	<i>€/000</i>	<i>sales²</i>	<i>€/000</i>	<i>sales²</i>	<i>Decrease</i>
Hydraulics	79,191	21.7%	60,487	22.6%	+30.9%
Water-Jetting	<u>35,018</u>	28.0%	<u>30,984</u>	28.2%	+13.0%
Total	<u>114,209</u>	23.4%	<u>91,471</u>	24.4%	+24.9%

EBIT for 1Q2022 was €92.6m, up by 29.2% over the €71.7m of 1Q2021; the associated incidence on sales was 19.0%, against 19.1% in the corresponding reference period.

Net profit for 1Q2022 stood at €66.1m, up by 22.8% compared to the figure of €53.8m for the corresponding period of the prior year. Basic earnings per share therefore rose from EUR 0.497 to 0.616.

At 31 March 2022, **capital employed** totalled €1,986.0m versus the €1,912.4m at 31 December 2021. This increase mainly reflects the Group's decision to build its inventory, this strategy being implemented starting in the previous year to protect production capacity and the speed of response to customer requests, against a background of inflationary pressure and growing difficulties in sourcing raw materials and other resources required for pursuit of the Group's business.

Unannualised **ROCE** in 1Q2022 totalled 4.7%, in line with the Q1 2021 value, while unannualised **ROE** stood at 4.8% versus 4.4% for 1Q2021.

Balance sheet

Net liquidity generated from operating activities in the period was €108.8m, up by 28.2% versus the €84.9m in 1st Quarter of the prior year. The increase in working capital, especially of the inventory, and continuation of the investing activities started in the prior year to improve the Group's manufacturing capacity from the perspective of spaces available for production activities and that of production lines and machinery, explain the fall in **free cash flow** from €40.8m in 1Q2021 to €5.8m in the first quarter of the current year.

The **net financial position** at 31 March 2022 was €530.3m, versus €494.9m at 31 December 2021: this increase is mainly linked to the net purchase of treasury shares for €41.3m.³

At 31 March 2022 the Group also had **commitments for the acquisition of interests in subsidiaries** measured overall at €81.2m (€77.8m at 31 December 2021) and 2,848,443 treasury shares in the portfolio, equivalent to 2.6161% of the capital and purchased at a unit cost of EUR 49.8480

² Total sales include sales to other Group companies, while sales analysed previously are exclusively those external to the Group (see Note 2 in the Explanatory Notes). For comparability, the percentage is calculated on total sales, rather than the net sales shown earlier.

³ Net amount resulting from the difference between a total outlay of €49.3m for the purchase of treasury shares and the total receipt deriving from the sale of treasury shares to the beneficiaries of stock options, totaling €8.0m



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Events occurring after the close of 1Q2022

No atypical or unusual transactions occurred after the end of 1Q2022 that would require mention in this report or call for changes to the consolidated financial statements at 31 March 2022.

S. Ilario d'Enza (RE), 13 May 2022

For the Board of Directors
The Chairman
Fulvio Montipò

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

* * *

This press release contains forward looking statements based on the current expectations and Interpump Group projections concerning future events and, by nature, they are subject to an intrinsic component of risk and uncertainty. These are declarations referred to events and they depend on circumstances that may or may not occur in the future and as such it would be inappropriate to place undue trust in their veracity. The actual results may differ significantly from the results contained in said declarations due to multiple factors, including continuous volatility and a further deterioration of the capital and financial markets, changes in macroeconomic conditions and in economic growth and other changes in business conditions, changes in normative provisions and in the institutional context (both in Italy and in other countries) and a large number of additional factors, the majority of which are outside the Group's control.

* * *

Pursuant to article 65-(2) subsection 2 of Consob resolution no.11971/1999 as amended, the **Interim Board of Directors' Report at 31 March 2022 is available to the public** at the company headquarters and can also be consulted on the "Financial statements & reports" page of the "Investor relations" section of the Corporate website www.interpumpgroup.it, and on the storage mechanism www.emarketstorage.com.

The company website will also provide access to several slides presenting the results of 1Q2022 that will be illustrated today at 16:30 CET during a conference call and an audio webcast with the financial community.

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Consolidated statement of financial position

(€/000)	<u>31/03/2022</u>	<u>31/12/2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	293,376	349,015
Trade receivables	399,952	361,913
Inventories	567,941	515,958
Tax receivables	29,949	27,876
Other current assets	23,954	20,766
Total current assets	<u>1,315,172</u>	<u>1,275,528</u>
Non-current assets		
Property, plant and equipment	620,713	613,715
Goodwill	767,943	767,413
Other intangible assets	44,341	44,212
Other financial assets	2,227	2,250
Tax receivables	3,570	2,327
Deferred tax assets	64,432	63,658
Other non-current assets	2,314	2,183
Total non-current assets	<u>1,505,540</u>	<u>1,495,758</u>
Assets held for sale	1,460	1,460
Total assets	<u>2,822,172</u>	<u>2,772,746</u>



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(€/000)

LIABILITIES

Current liabilities

	<u>31/03/2022</u>	<u>31/12/2021</u>
Trade payables	293,096	285,212
Payables to banks	13,338	7,760
Interest-bearing financial payables (current portion)	240,644	232,213
Tax liabilities	51,717	34,669
Other current liabilities	124,266	116,747
Provisions for risks and charges	4,738	4,694
Total current liabilities	727,799	681,295

Non-current liabilities

Interest-bearing financial payables	569,653	603,966
Liabilities for employee benefits	24,113	23,937
Deferred tax liabilities	49,355	48,207
Tax liabilities	1,734	1,764
Other non-current liabilities	61,868	60,885
Provisions for risks and charges	13,090	13,028
Total non-current liabilities	719,813	751,787
Total liabilities	1,447,612	1,433,082

SHAREHOLDERS' EQUITY

Share capital	55,136	55,327
Legal reserve	11,323	11,323
Share premium reserve	26,113	66,472
Remeasurement reserve for defined benefit plans	(8,170)	(8,170)
Translation reserve	16,407	6,013
Other reserves	1,262,639	1,197,234
Group shareholders' equity	1,363,448	1,328,199
Non-controlling interests	11,112	11,465
Total shareholders' equity	1,374,560	1,339,664
Total shareholders' equity and liabilities	2,822,172	2,772,746



Consolidated income statements for 1Quarter

(€/000)	2022	2021
Revenues	488,680	375,569
Cost of sales	(317,955)	(239,071)
Gross industrial margin	170,725	136,498
Other operating income	7,554	5,542
Distribution expenses	(36,844)	(29,844)
General and administrative expenses	(47,830)	(38,739)
Other operating costs	(960)	(1,769)
EBIT	92,645	71,688
Financial income	6,724	5,060
Financial charges	(9,142)	(4,157)
Adjustment of the value of investments carried at equity	164	69
Profit for the year before taxes	90,391	72,660
Income taxes	(24,323)	(18,873)
Consolidated profit for the period	66,068	53,787
Attributable to:		
Shareholders of Parent	65,405	53,092
Minority shareholders of subsidiaries	663	695
Consolidated profit for the period	66,068	53,787
Basic earnings per share	0.616	0.497
Diluted earnings per share	0.610	0.492



Comprehensive consolidated income statements for 1Quarter

(€/000)	<u>2022</u>	<u>2021</u>
Consolidated profit (A)	66,068	53,787
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>	10,532	17,934
<i>Profits (Losses) of companies carried at equity</i>	(230)	29
<i>Applicable taxes</i>	—	—
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit, net of net of the tax effect (B)	<u>10,302</u>	<u>17,963</u>
Comprehensive consolidated profit for the period (A) + (B)	<u>76,370</u>	<u>71,750</u>
Attributable to:		
Shareholders of Parent	75,799	70,715
Minority shareholders of subsidiaries	571	1,035
Consolidated comprehensive income for the year	<u>76,370</u>	<u>71,750</u>



Consolidated cash flow statements for 1Quarter

(€/000)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Profit before taxes	92,058	72,660
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(1,821)	(3,092)
Amortization and depreciation, impairment and reinstatement of assets	21,449	18,826
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	783	583
Losses (profits) from investments	(164)	(69)
Net change in risk funds and allocations to provisions for benefits to employees	243	265
Expenditures for tangible assets to be leased	(608)	(2,939)
Proceeds from the disposal of leased tangible assets	3,437	4,583
Net financial charges (revenues)	752	(903)
	116,129	89,914
(Increase) decrease in trade receivables and other current assets	(39,461)	(37,848)
(Increase) decrease in inventories	(47,326)	(11,419)
Increase (decrease) in trade payables and other current liabilities	13,323	24,618
Interest paid	(1,032)	(1,088)
Realized exchange differences	(143)	784
Taxes paid	(6,106)	(4,710)
Net cash from operating activities	35,384	60,251
Cash flows from investing activities		
Payments for the purchase of investments, net of cash received and net of treasury shares assigned	(122)	(4,082)
Capital expenditure on property, plant and equipment	(22,778)	(14,483)
Proceeds from the sale of tangible fixed assets	344	1,160
Increase in intangible assets	(1,555)	(1,333)
Financial income received	98	140
Other	(663)	(230)
Net cash (used in) investing activities	(24,676)	(18,828)
Cash flows from financing activities		
Disbursements (repayments) of loans	(26,930)	(26,523)
Dividends paid	(357)	(685)
Disbursements for purchase of treasury shares	(49,350)	-
Proceeds from the sale of treasury shares to stock option beneficiaries	8,017	66
Change in other financial assets	(3)	(41)
Payment of finance lease instalments (principal)	(4,900)	(4,731)
Net cash generated by financing activities	(73,523)	(31,914)
Net increase (decrease) in cash and cash equivalents	(62,815)	9,509



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(€/000)

Net increase (decrease) in cash and cash equivalents

Translation differences for cash held by non-EU companies

Opening cash and cash equivalents of companies consolidated
on a line-by-line basis for the first time

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

	<u>2022</u>	<u>2021</u>
	<u>(62,815)</u>	<u>9,509</u>
	1,598	3,059
	-	73
	341,255	332,578
	<u>280,038</u>	<u>345,219</u>

Cash and cash equivalents consist of the following:

	31/03/2022	31/12/2021
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	293,376	349,015
Bank payables (overdrafts and subject to collection advances)	<u>(13,338)</u>	<u>(7,760)</u>
Cash and cash equivalents as per the cash flow statement	<u>280,038</u>	<u>341,255</u>



Consolidated statement of changes in shareholders' equity

(€/000)	Share capital	Legal reserve	Share premium reserve	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholder s' equity	Non- controlling interests	Consolidated
At 1 January 2021	55,462	11,323	78,693	(8,217)	(27,215)	1,029,529	1,139,575	10,402	1,149,977
Recognition in income statement of fair value of stock options granted and exercisable	-	-	583	-	-	-	583	-	583
Sale of treasury stock to the beneficiaries of stock options	3	-	63	-	-	-	66	-	66
Assignment of treasury shares as payment for equity investments	39	-	3,036	-	-	-	3,075	-	3,075
Dividends paid (minority interests)	-	-	-	-	-	-	-	(647)	(647)
Dividends declared (attributable to non-controlling interests)	-	-	-	-	-	-	-	(1,304)	(1,304)
Winding up of subsidiaries	-	-	-	-	-	-	-	(85)	(85)
Comprehensive profit (loss) for Q1 2021	-	-	-	-	17,623	53,092	70,715	1,035	71,750
Balances at 31 March 2021	55,504	11,323	82,375	(8,217)	(9,592)	1,082,621	1,214,014	9,401	1,223,415
Recognition in income statement of fair value of stock options granted and exercisable	-	-	3,803	-	-	-	3,803	-	3,803
Purchase of treasury shares	(218)	-	(22,179)	-	-	-	(22,397)	-	(22,397)
Sale of treasury stock to the beneficiaries of stock options	26	-	622	-	-	-	648	-	648
Assignment of treasury shares as payment for equity investments	15	-	1,851	-	-	-	1,866	-	1,866
Purchase of residual interests in subsidiaries	-	-	-	-	-	(425)	(425)	(240)	(665)
Winding up of subsidiaries	-	-	-	-	-	-	-	3	3
Dividends paid	-	-	-	-	-	(27,382)	(27,382)	(1,427)	(28,809)
Dividends resolved	-	-	-	-	-	(370)	(370)	1,304	934
Comprehensive profit (loss) for April-December 2021	-	-	-	47	15,605	142,790	158,442	2,424	160,866
At 31 December 2021	55,327	11,323	66,472	(8,170)	6,013	1,197,234	1,328,199	11,465	1,339,664
Recognition in income statement of fair value of stock options granted and exercisable	-	-	783	-	-	-	783	-	783
Purchase of treasury shares	(515)	-	(48,835)	-	-	-	(49,350)	-	(49,350)
Sale of treasury stock to the beneficiaries of stock options	324	-	7,693	-	-	-	8,017	-	8,017
Dividends declared (attributable to non-controlling interests)	-	-	-	-	-	-	-	(924)	(924)
Comprehensive profit (loss) for Q1 2022	-	-	-	-	10,394	65,405	75,799	571	76,370
Balances at 31 March 2022	55,136	11,323	26,113	(8,170)	16,407	1,262,639	1,363,448	11,112	1,374,560