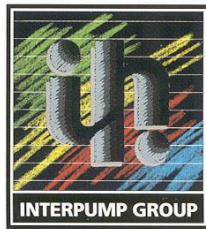


# **Interim Board of Directors' Report in Q3 2022**



**Interpump Group S.p.A. and subsidiaries**



## **Contents**

	Page
Composition of corporate bodies	5
Interpump Group Organization Chart at 30 September 2022	7
Interim Board of Directors' Report:	
- Directors' remarks on performance in the first nine months of 2022	11
- Directors' remarks on performance in Q3 2022	21
Financial statements and notes	27

This document can be accessed on the Internet at:

[www.interpumpgroup.it](http://www.interpumpgroup.it)

**Interpump Group S.p.A.**

Registered office in S. Ilario d'Enza (Reggio Emilia), Via Enrico Fermi 25

Paid-up Share Capital: Euro 56,617,232.88

Reggio Emilia Companies Register - Tax Code 11666900151



## **Board of Directors**

Fulvio Montipò  
*Chairman and Chief Executive Officer*

Giovanni Tamburi (b)  
*Deputy Chairman*

Fabio Marasi  
*Executive Director*

Claudio Berretti  
*Non-Executive Director*

Angelo Busani (a) (c)  
*Independent Director*

Antonia Di Bella  
*Independent Director*

Marcello Margotto (b)  
*Independent Director*  
*Lead Independent Director*

Federica Menichetti (a) (b) (c)  
*Independent Director*

Stefania Petruccioli  
*Independent Director*

Paola Tagliavini (a), (c)  
*Independent Director*

## **Board of Statutory Auditors**

Anna Maria Allievi  
*Chairman*

Roberta De Simone  
*Statutory Auditor*

Mario Tagliaferri  
*Statutory Auditor*

## **Independent Auditors**

EY S.p.A.

- (a) Member of the Audit, Risks and Sustainability Committee*
- (b) Member of the Remuneration Committee and Appointments Committee*
- (c) Member of the Related Party Transactions Committee*

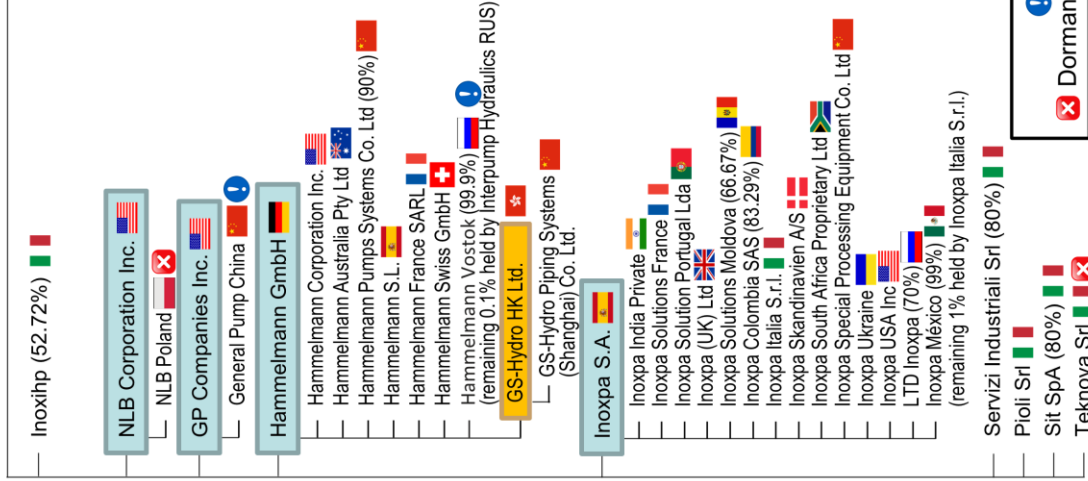


# Group Structure

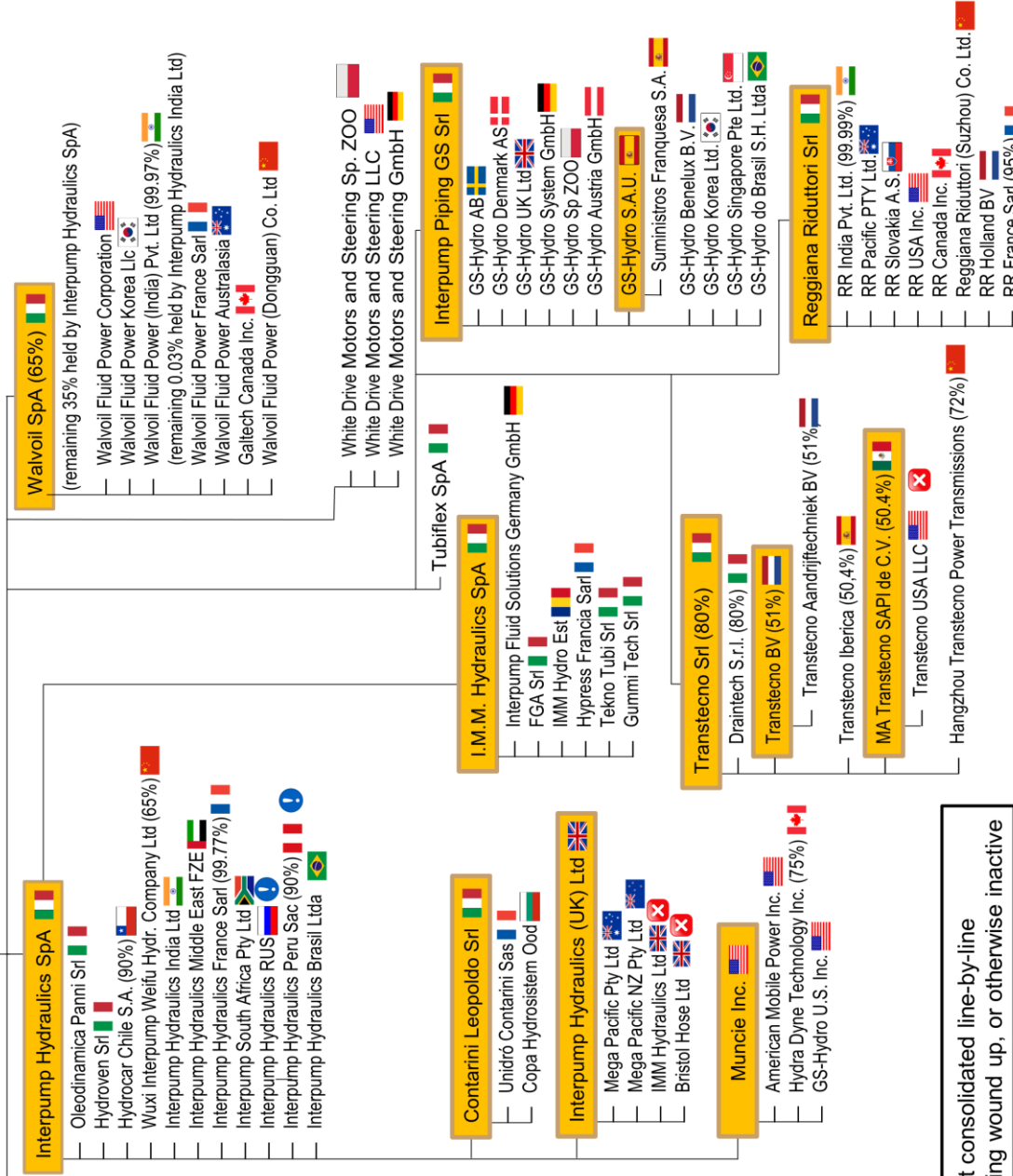


as at 30/09/2022  
all holdings 100% unless otherwise specified

## WATER-JETTING



## HYDRAULICS



Not consolidated line-by-line  
 Dormant, being wound up, or otherwise inactive





## **Interim Board of Directors' Report**



**Directors' remarks on performance  
in 9M 2022**

## PERFORMANCE INDICATORS

The Group uses several alternative measures that are not identified as accounting parameters in the framework of IFRS standards, to allow better evaluation of the trend of economic operations and the Group's financial position. Such indicators are also tools that assist the directors in identifying operating trends and in making decisions on investments, resource allocation and other business matters. Therefore, the measurement criterion applied by the Group may differ from the criteria adopted by other groups and hence may not be comparable with them. Such alternative performance indicators are derived exclusively from the Group's historical data and determined in accordance with the Guidelines on Alternative Performance Measures issued by ESMA/2015/1415 and adopted by Consob in communication no. 92543 dated 3 December 2015. These indicators refer only to performance in the period illustrated in this Interim Board of Directors' Report and the comparative periods and not to expected performance and must not be taken to replace the indicators required by the reference accounting standards (IFRS). Finally, the alternative indicators are processed consistently, using the same definitions and presentations for all periods for which financial information is included in this Interim Board of Directors' Report.

The performance indicators used by the Group are defined as follows:

- **Earnings/(Losses) before interest and tax (EBIT):** Net sales plus Other operating income less Operating costs (Cost of sales, Distribution costs, General and administrative expenses, and Other operating costs);
- **Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA):** EBIT plus depreciation, amortization, writedowns and provisions;
- **Net financial position:** calculated as the sum of Loans obtained and Bank borrowing less Cash and cash equivalents;
- **Net indebtedness:** calculated as the sum of the net financial position and debts for the acquisition of equity investments;
- **Capital expenditure (CAPEX):** the sum of investment in property, plant and equipment and intangible assets, net of divestments;
- **Free Cash Flow:** the cash flow available for the Group, defined as the difference between the cash flow of operating activities and the cash flow for investments in tangible and intangible fixed assets;
- **Capital employed:** calculated as the sum of shareholders' equity and net financial position, including debts for the acquisition of equity investments;
- **Return on capital employed (ROCE):**  $EBIT / \text{Capital employed}$ ;
- **Return on equity (ROE):**  $\text{Net profit} / \text{Shareholders' equity}$ .

The Group's income statement is prepared by functional area (also called the "cost of sales" method). This form is deemed to be more representative than its "type of expense" counterpart, which is nevertheless included in the notes to the Annual Financial Report. The chosen form, in fact, complies with the internal reporting and business management methods.

The cash flow statement was prepared using the indirect method.

**9M consolidated income statements**

(€/000)	<u>2022</u>	<u>2021</u>
<b>Net sales</b>	<b>1,544,939</b>	<b>1,154,568</b>
Cost of sales	(1,008,462)	(733,757)
<b>Gross industrial margin</b>	<b>536,477</b>	<b>420,811</b>
<i>% on net sales</i>	<i>34.7%</i>	<i>36.4%</i>
Other operating revenues	32,167	17,326
Distribution expenses	(116,277)	(91,982)
General and administrative expenses	(146,991)	(118,143)
Other operating costs	(15,243)	(5,163)
<b>EBIT</b>	<b>290,133</b>	<b>222,849</b>
<i>% on net sales</i>	<i>18.8%</i>	<i>19.3%</i>
Financial income	26,274	9,598
Financial charges	(25,171)	(14,315)
Equity method contribution	115	43
<b>Profit for the period before taxes</b>	<b>291,351</b>	<b>218,175</b>
Income taxes	(76,618)	(39,744)
<b>Consolidated net profit for the period</b>	<b>214,733</b>	<b>178,431</b>
<i>% on net sales</i>	<i>13.9%</i>	<i>15.5%</i>
<b>Attributable to:</b>		
Shareholders of Parent	212,557	176,458
Minority shareholders of subsidiaries	2,176	1,973
<b>Consolidated profit for the period</b>	<b>214,733</b>	<b>178,431</b>
<b>EBITDA</b>	<b>365,123</b>	<b>281,939</b>
<i>% on net sales</i>	<i>23.6%</i>	<i>24.4%</i>
Shareholders' equity	1,497,751	1,315,107
Net financial position	603,753	174,355
Payables for the acquisition of investments	53,282	62,376
Capital employed	2,154,786	1,551,838
<b>Unannualized ROCE</b>	<b>13.5%</b>	<b>14.4%</b>
<b>Unannualized ROE</b>	<b>14.3%</b>	<b>13.6%</b>
<b>Basic earnings per share</b>	<b>2.013</b>	<b>1.654</b>

## **SIGNIFICANT EVENTS IN THE FIRST NINE MONTHS**

After two difficult years due to the Covid-19 pandemic, a gradual return to normality was supported by the relaxation of restrictions in most economies that contributed to an upturn in consumption; however, the situation in the world economy has remained uncertain and there are already early signs of a slowdown. Persistently high inflation and supply chain difficulties, together with increasing pressure on commodity and energy prices, are impeding the recovery of the global economy, with only moderate expectations for GDP growth at a global level. In terms of monetary policy, the unexpected spike in inflation has triggered widespread efforts to implement corrective action in the form of higher interest rates. The related repercussions, including the possible slowdown of global growth, will have to be monitored carefully.

The ongoing conflict between Russia and Ukraine and, consequently, the growing geopolitical tensions continue to generate additional volatility and uncertainty, as well as risks for the continuity of European gas imports.

In this regard, the exposure of the Group to the countries involved in the conflict is limited. Specifically, €13.4m was invoiced to customers in Russia, Belarus and Ukraine during the first nine months of 2022, with outstanding receivables at 30 September 2022 of €1.9m.

Against this troubled macroeconomic background, a further adversity was added during the period. In particular, a fire broke out on 12 May 2022 at the principal plant of IMM Hydro Est, which produces small and medium-sized hydraulic pipes. While the damage was massive, fortunately no-one inside or outside this subsidiary was involved in the blaze. The fire destroyed a major part of the building and the productive plant, as well as the finished products and raw materials (mixes and threads) that were stored there. The 9M results were therefore adversely influenced by the writedown of fixed assets by €4.7m and inventory losses of €1.6m. The insurance policies arranged by the Group cover the direct and indirect losses deriving from this event and, at 30 September 2022, an advance of €4m against the direct losses incurred is reflected in the financial statements. This amount was collected in October. In response to this adversity, the Group promptly introduced a short-term plan designed to mitigate the loss of production in Romania, by simultaneously reactivating and re-equipping the Atessa plant that was put on sale in December 2021, and expanding production at the Ascoli Satriano plant. Clearance of the plant in Romania began in June, with removal of all the damaged structures and the productive plant beneath them. In the meantime, as planned, work has started on reconstruction of the plant, with completion scheduled for mid-2023. The strategic plan for the recovery of production should enable the Interpump Group to contain the amount of lost sales in 2022.

Despite this complex micro and macroeconomic picture, the Interpump Group has continued to generate excellent results in terms of sales and profitability, not least due to an ability to implement targeted pricing policies.

Sales reached €1,544.9m, up by 33.8% compared to 9M 2021 when they totaled €1,154.6m. Analysis by business sector shows that sales in the Hydraulic Sector rose by 41.3% with respect to 9M 2021, while those in the Water-Jetting Sector were 15.9% greater.

EBITDA was €365.1m (23.6% of sales). In 9M 2021 EBITDA amounted to €281.9m (24.4% of sales), so 29.5% growth was achieved.

Net profit was €214.7m in 9M 2022 (€178.4m in 9M 2021), up by 20.3%.

Given the procurement difficulties, during the quarter the Group continued the inventory-building policy implemented in the prior year. For this reason and due to the major investment program that was previously planned and implemented, the free cash flow generated during 9M 2022 totaled €22.4m, compared with €134.9m in 9M 2021.

The net financial position at 30 September 2022 totals €603.8m (€494.9m at 31 December 2021), primarily after spending €94.8m on treasury shares, paying dividends of €30.4m and, lastly, making gross investments of €32.9m to acquire equity investments and residual minority interests.

Compared with 9M 2021, the Hydraulic Sector has consolidated a number of additional companies in 2022: the three White Drive companies acquired in October 2021, Berma S.r.l. acquired in November 2021 and absorbed by Reggiana Riduttori with effect from 1 January 2022, and Draintech S.r.l., which was acquired on 11 April 2022.

## NET SALES

Net sales totaled €1,545.0m in 9M 2022, up by 33.8% with respect to sales in the equivalent period of 2021, when net sales were €1,154.6m (+18.3% at unchanged perimeter, +13.6% also net of exchange differences).

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 2022</i>						
Hydraulics	207,490	412,730	307,531	125,074	95,629	1,148,454
Water-Jetting	<u>38,545</u>	<u>134,172</u>	<u>146,984</u>	<u>44,432</u>	<u>32,352</u>	<u>396,485</u>
Total	<u>246,035</u>	<u>546,902</u>	<u>454,515</u>	<u>169,506</u>	<u>127,981</u>	<u>1,544,939</u>
<i>9M 2021</i>						
Hydraulics	165,909	289,248	182,052	99,025	76,386	812,620
Water-Jetting	<u>31,474</u>	<u>126,525</u>	<u>116,249</u>	<u>43,283</u>	<u>24,417</u>	<u>341,948</u>
Total	<u>197,383</u>	<u>415,773</u>	<u>298,301</u>	<u>142,308</u>	<u>100,803</u>	<u>1,154,568</u>
2022/2021 percentage changes						
Hydraulics	+25.1%	+42.7%	+68.9%	+26.3%	+25.2%	+41.3%
Water-Jetting	+22.5%	+6.0%	+36.4%	+2.7%	+32.5%	+15.9%
Total	+24.6%	+31.5%	+52.4%	+19.1%	+27.0%	+33.8%

The changes at unchanged perimeter are as follows:

2022/2021 percentage changes						
Hydraulics	+16.9%	+16.2%	+28.5%	+15.4%	+19.9%	+19.3%
Water-Jetting	+22.5%	+6.0%	+26.4%	+2.7%	+32.5%	+15.9%
Total	+17.8%	+13.1%	+27.7%	+11.5%	+23.0%	+18.3%

## PROFITABILITY

The cost of sales accounted for 65.3% of turnover (63.6% in 9M 2021). Production costs, which totaled €401.3m (€288.5m in 9M 2021, which however did not include costs of Berma S.r.l., Draintech S.r.l. and the three White Drive companies), accounted for 26.0% of sales (25.0% in the equivalent period of 2021). At unchanged perimeter, production costs were 24.7% of sales (0.3% of sales lower than in the same period of 2021). The purchase cost of raw materials and components sourced on the market, including changes in inventories, was €607.2m (€445.2m in the equivalent period of 2021, which however did not include the costs of Berma S.r.l., Draintech S.r.l. and the three White Drive companies). The incidence of purchase costs, including changes in inventories, was 39.3% compared to 38.6% in 9M 2021.

At unchanged perimeter, distribution costs were 17.4% higher than in 9M 2021, but their incidence on sales fell by 0.1 percentage points. Trade fairs and travel by commercial personnel recommenced following the lifting of pandemic-related restrictions, which explains a significant part of the increase in distribution costs.



Also at unchanged perimeter, general and administrative expenses rose by 11.8% with respect to 9M 2021, while their incidence on sales was 0.5 percentage points lower.

Payroll costs totaled €316.4m (€256.9m in 9M 2021, which however did not include the costs of Berma S.r.l., Draintech S.r.l. and the three White Drive companies). At unchanged perimeter, payroll costs amounted to €281.3m, up by 9.5% due to a 6.1% rise in per capita cost and an increase in the average headcount by 237 employees. The average total number of Group employees in 9M 2022 was 8,691 (7,693 at unchanged perimeter) compared to 7,456 in 9M 2021. Excluding persons employed by the new companies, the increase in average headcount is analyzed as follows: 144 in Europe, 19 in North America and 74 in the Rest of the World. In addition, the Group employs 1,574 temporary workers (1,045 in 2021) at a cost during 9M 2022 of €28.7m (€17.4m in 2021).

EBITDA totaled €365.1m (23.6% of sales) compared to €281.9m in 9M 2021, which accounted for 24.4% of sales. The following table analyzes EBITDA by business sector:

	<i>9M 2022</i>	<i>% on</i>	<i>9M 2021</i>	<i>% on</i>	<i>Increase/ Decrease</i>
	<i>€/000</i>	<i>total</i>	<i>€/000</i>	<i>total</i>	
		<i>sales*</i>		<i>sales*</i>	
Hydraulics	250,798	21.8%	184,311	22.7%	+36.1%
Water-Jetting	<u>114,325</u>	28.6%	<u>97,628</u>	28.2%	+17.1%
<b>Total</b>	<b><u>365,123</u></b>	<b>23.6%</b>	<b><u>281,939</u></b>	<b>24.4%</b>	<b>+29.5%</b>

\* = Total sales include those to other Group companies in the other sector, while the sales analyzed previously are exclusively those external to the Group (see Note 2 in the explanatory notes). Accordingly, for consistency, the percentage is calculated on total sales rather than on those reported previously.

After excluding the effects of the plant fire in Romania, described earlier, normalized EBITDA for 9M 2022 would have been 23.5% of sales, while that the Hydraulic Sector would have been 21.6% of sales.

EBIT was €290.1m (18.8% of sales) compared with €222.8m in 9M 2021 (19.3% of sales), reflecting an increase of 30.2%.

The tax rate for the period was 26.3% (18.2% in 9M 2021). Several Group companies revalued their trademarks in 2021 pursuant to Decree 104 dated 14 August 2020, as enacted by Law 126 dated 13 October 2020. This operation resulted in the recognition of tax benefits totaling €20.1m. Net of this one-off effect, the tax rate would have been 27.4%.

Net profit was €214.7m in 9M 2022 (€178.4m in 9M 2021), reflecting growth of 20.3% (+36.8% before the effects of the fire in Romania and the above tax benefits). Basic earnings per share rose 21.7%, from EUR 1.654 in 9M 2021 to EUR 2.013 in 9M 2022.

Capital employed increased from €1,912.4m at 31 December 2021 to €2,154.8m at 30 September 2022. This rise reflects the increase in working capital caused by the combined effect of strong sales growth, as reflected in the level of trade receivables, and the decision of the Group to support this expansion adequately via higher inventories. Given the rise in inflation and the ever greater difficulty of sourcing raw and consumable materials, this policy shields productive capacity as much as possible so that customer needs can be satisfied effectively. Unannualized ROCE was 13.5% (14.4% in 9M 2021). Unannualized ROE was 14.3% (13.6% in 9M 2021).

**CASH FLOW**

The change in the Net Financial Position breaks down as follows:

	<i>9M 2022</i>	<i>9M 2021</i>
	<u>€/000</u>	<u>€/000</u>
<b>Opening net financial position</b>	<b>(494,924)</b>	<b>(269,500)</b>
Adjustment: opening net cash position of companies not consolidated line by line at the end of the prior year	-	(161)
<b>Adjusted opening net financial position</b>	<b>(494,924)</b>	<b>(269,661)</b>
Cash flow from operations	306,086	247,918
Principal portion of leasing installments paid	(20,462)	(13,778)
Cash flow (absorbed) by the management of commercial working capital	(172,939)	(48,453)
Cash flow generated (absorbed) by other current assets and liabilities	(5,439)	11,828
Investment in property, plant and equipment	(79,531)	(59,771)
Proceeds from the sale of tangible fixed assets	952	1,873
Investment in other intangible assets	(4,420)	(4,701)
Financial income received	481	401
Other	<u>(2,272)</u>	<u>(459)</u>
<b>Free cash flow</b>	<b>22,456</b>	<b>134,858</b>
Net acquisition of investments, including received debt and net of treasury shares assigned	(26,656)	(9,010)
Dividends paid	(30,387)	(28,812)
Outlays for the purchase of treasury shares	(94,793)	(12,338)
Proceeds from the sale of treasury shares to stock option beneficiaries	9,591	545
Principal portion of leasing installments paid	20,462	13,778
Principal portion of new leasing contracts arranged	(10,806)	(6,656)
Restatement and early redemption of leasing contracts	(454)	966
Change in other financial assets	-	(38)
<b>Net cash generated (used)</b>	<b>(110,587)</b>	<b>93,293</b>
Exchange differences	<u>1,758</u>	<u>2,013</u>
<b>Closing net financial position</b>	<b><u>(603,753)</u></b>	<b><u>(174,355)</u></b>

Net liquidity generated by operations totaled €306.1m (€247.9m in 9M 2021), reflecting an increase of 23.5%. Free cash flow was €22.5m (€134.9m in 9M 2021), with a reduction that mainly reflects the increase in working capital and higher investment. As mentioned, the increase in working capital is a phenomenon linked to the rise in sales; however, at this specific moment in time, it also reflects a decision made by the Group to tackle the shortage of raw materials and the volatility in their prices. The rise in investment is consistent with the ongoing process of expanding productive capacity, as that part of the growth strategy implemented over a longer time horizon.

Net indebtedness, including the payables and commitments identified in ESMA 32-382-1138 and adopted by Consob in communication no. 5/21, comprises:

	30/09/2022	31/12/2021	30/09/2021	01/01/2021
	<u>€/000</u>	<u>€/000</u>	<u>€/000</u>	<u>€/000</u>
Cash and cash equivalents	347,133	349,015	582,595	343,170
Bank payables (advances and STC amounts)	(25,025)	(7,760)	(3,781)	(10,592)
Interest-bearing financial payables (current portion)	(268,843)	(232,213)	(182,309)	(181,603)
Interest-bearing financial payables (non-current portion)	<u>(657,018)</u>	<u>(603,966)</u>	<u>(570,860)</u>	<u>(420,475)</u>
<i>Net financial position</i>	<i>(603,753)</i>	<i>(494,924)</i>	<i>(174,355)</i>	<i>(269,500)</i>
Commitments to acquire equity investments	<u>(53,282)</u>	<u>(77,794)</u>	<u>(62,376)</u>	<u>(62,686)</u>
<b>Total net indebtedness</b>	<b><u>(657,035)</u></b>	<b><u>(572,718)</u></b>	<b><u>(236,731)</u></b>	<b><u>(332,186)</u></b>

## CAPITAL EXPENDITURE

Expenditure on property, plant and equipment totaled €90.4m, of which €0.5m through the acquisition of equity investments (€79.0m in 9M 2021, of which €1.8m through the acquisition of equity investments). The additions are analyzed in the following table.

€/000	9M 2022 €/000	9M 2021 €/000
Increases for the purchase of fixed assets used in the production process	75,018	63,846
Increases for machinery rented to customers	4,059	6,720
Leased assets	<u>10,806</u>	<u>6,656</u>
<i>Capex</i>	89,883	77,222
Increases via the acquisition of equity investments	<u>483</u>	<u>1,811</u>
Total increases in the period	<u>90,366</u>	<u>79,033</u>

The increases in 2022 include €24.8m invested in land and buildings (€29.3m in 9M 2021).

The difference with respect to the expenditure recorded in the cash flow statement is due to the timing of payments.

Increases in intangible fixed assets amounted to €20.6m, of which €17m through the acquisition of equity investments (€4.8m in 9M 2021). The increase in 9M 2022 includes €16.1m representing the fair value of the trademark obtained by acquiring the three White Drive companies. The value of the White Drive trademark has been recognized in 2022, as the information needed for its measurement was not available in 2021, when that Group was acquired; as a consequence, the related PPA has been revised.

## **INTERCOMPANY AND RELATED PARTY TRANSACTIONS**

In compliance with the provisions of the Consob regulation adopted with resolution no. 17221 of 12 March 2010, as amended, Interpump Group S.p.A. has adopted the procedure that regulates related party transactions. This procedure was approved for the first time by the Board of Directors on 10 November 2010 and has been continuously updated in accordance with the regulatory provisions in force time by time and adapted to reflect current practices. In particular, on 28 June 2021 the Board of Directors approved a new version that takes account of the effects of Decree 49/2019, which transposed into Italian law the provisions of Directive (EU) 2017/828 (“Shareholders’ Rights II”) with regard to related parties, as well as the related amendments made by CONSOB on 10 December 2020 to the Issuers’ Regulation and the Regulation governing Related Party Transactions. The new version can be found in the Corporate Governance section of the Interpump website [www.interpumpgroup.it](http://www.interpumpgroup.it). Information on transactions carried out with related parties is given in Note 9 of the interim consolidated financial statements at 30 September 2022. Overall, no atypical or unusual transactions were carried out with related parties during 9M 2022 and the transactions that did take place were completed on an arm’s-length basis.

## **CHANGES IN GROUP STRUCTURE IN 9M 2022**

Berma S.r.l. was absorbed by Reggiana Riduttori S.r.l. with effect from 1 January 2022.

As stated in the Half-year financial report at 30 June 2022, Interpump Group announced the acquisition of 80% of Draintech, via Transtecno, on 11 April 2022.

Put options for the residual quotas in Mega Pacific were also exercised during 9M 2022, together with those for an additional 20% of Transtecno S.r.l. Additionally, the residual minority interests in Gummi Tech S.r.l. and a further 15% of SIT S.p.A. were acquired.

## **EVENTS OCCURRING AFTER THE CLOSE OF 9M 2022**

On 20 October 2022 Interpump Group announced the acquisition, via Interpump Hydraulics S.p.A., of 80% of Eurofluid Hydraulic S.r.l. This company, founded in 1994 and based on Borzano di Albinea (RE), specializes in the manufacture of high-end hydraulic blocks, offering both standard production and customizations to meet customer requirements. Eurofluid employs over 90 persons and 2022 turnover is expected to be about €28m, with an EBITDA margin in excess of 20%.

The value of this equity interest was agreed to be €26.4m and “put and call” mechanisms have been defined, with a set price, so that the counterparties can purchase and sell the remaining 20% from April 2026.

The current owners will remain involved in the activities of the company.

No atypical or unusual transactions have been carried out subsequent to 30 September 2022 that would call for changes to the consolidated financial statements at 30 September 2022.

**Directors' remarks on performance  
in Q3 2022**



### Q3 consolidated income statements

(€/000)	<u>2022</u>	<u>2021</u>
<b>Net sales</b>	<b>518,647</b>	<b>373,514</b>
Cost of sales	(342,083)	(240,773)
<b>Gross industrial margin</b>	<b>176,564</b>	<b>132,741</b>
<i>% on net sales</i>	<i>34.0%</i>	<i>35.5%</i>
Other operating revenues	17,213	5,940
Distribution expenses	(39,180)	(30,214)
General and administrative expenses	(48,078)	(38,136)
Other operating costs	(8,034)	(1,660)
<b>EBIT</b>	<b>98,485</b>	<b>68,671</b>
<i>% on net sales</i>	<i>19.0%</i>	<i>18.4%</i>
Financial income	11,117	1,991
Financial charges	(9,947)	(2,991)
Equity method contribution	255	(98)
<b>Profit for the period before taxes</b>	<b>99,910</b>	<b>67,573</b>
Income taxes	(24,690)	(17,474)
<b>Consolidated profit for the period</b>	<b>75,220</b>	<b>50,099</b>
<i>% on net sales</i>	<i>14.5%</i>	<i>13.4%</i>
<b>Attributable to:</b>		
Shareholders of Parent	74,433	49,505
Minority shareholders of subsidiaries	787	594
<b>Consolidated profit for the period</b>	<b>75,220</b>	<b>50,099</b>
<b>EBITDA</b>	<b>123,423</b>	<b>88,631</b>
<i>% on net sales</i>	<i>23.8%</i>	<i>23.7%</i>
Shareholders' equity	1,497,751	1,315,107
Net financial position	603,753	174,355
Payables for the acquisition of investments	53,282	62,376
Capital employed	2,154,786	1,551,838
<b>Unannualized ROCE</b>	<b>4.6%</b>	<b>4.4%</b>
<b>Unannualized ROE</b>	<b>5.0%</b>	<b>3.8%</b>
<b>Basic earnings per share</b>	<b>0.709</b>	<b>0.464</b>

## NET SALES

Net sales in Q3 2022 totaled €518.6m, up by 38.9% on the €373.5m of Q3 2021 (+22.3 % at unchanged perimeter, +15.7% also net of exchange differences).

Net sales in Q3 are analyzed below by business sector and geographical area:

(€/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 2022</i>						
Hydraulics	64,280	132,154	108,651	45,398	31,849	382,332
Water-Jetting	<u>11,365</u>	<u>48,658</u>	<u>48,252</u>	<u>16,750</u>	<u>11,290</u>	<u>136,315</u>
Total	<u>75,645</u>	<u>180,812</u>	<u>156,903</u>	<u>62,148</u>	<u>43,139</u>	<u>518,647</u>
<i>Q3 2021</i>						
Hydraulics	52,084	92,242	62,448	31,210	24,630	262,614
Water-Jetting	<u>9,496</u>	<u>40,978</u>	<u>39,334</u>	<u>13,907</u>	<u>7,185</u>	<u>110,900</u>
Total	<u>61,580</u>	<u>133,220</u>	<u>101,782</u>	<u>45,117</u>	<u>31,815</u>	<u>373,514</u>
2022/2021 percentage changes						
Hydraulics	+23.4%	+43.3%	+74.0%	+45.5%	+29.3%	+45.6%
Water-Jetting	+19.7%	+18.7%	+22.7%	+20.4%	+57.1%	+22.9%
Total	+22.8%	+35.7%	+54.2%	+37.7%	+35.6%	+38.9%

The changes at unchanged perimeter are as follows:

2022/2021 percentage changes						
Hydraulics	+13.6%	+14.3%	+35.1%	+31.8%	+22.7%	+22.0%
Water-Jetting	+19.7%	+18.7%	+22.7%	+20.4%	+57.1%	+22.9%
Total	+14.5%	+15.7%	+30.3%	+28.3%	+30.5%	+22.3%

## PROFITABILITY

The cost of sales accounted for 66.0% of turnover (64.5% in Q3 2021). Excluding the insurance reimbursement recognized in Q3 following the plant fire in Romania, the cost of sales would have been 66.5% of turnover. Production costs totaled €137.3m (€93.6m in Q3 2021, which however did not include the costs of the three White Drive companies, Berma and Draintech), accounting for 26.5% of sales (25.1% in Q3 2021). At unchanged perimeter, production costs in Q3 2022 were 24.5% of sales (+19.5% compared with the same period in 2021). The purchase cost of raw materials and components sourced on the market, including changes in inventories, was €204.8m (€147.1m in the same period of 2021). The incidence of purchase costs, including changes in inventories, was 39.5% (39.4% in Q3 2021).

Distribution costs were 29.7% greater than in Q3 2021, but their incidence on sales fell by 0.5 percentage points.

General and administrative expenses were 26.1% greater than in Q3 2021, although their incidence on sales was 0.9 percentage points lower.



EBITDA totaled €123.4m (23.8% of sales) compared with €88.6m in Q3 2021 (23.7% of sales), with an increase of 39.3%.

The following table analyzes EBITDA by business sector:

	<i>Q3 2022</i>	<i>% on</i>	<i>Q3 2021</i>	<i>% on</i>	<i>Increase/</i>
	<i>€/000</i>	<i>total</i>	<i>€/000</i>	<i>total</i>	<i>Decrease</i>
		<i>sales*</i>		<i>sales*</i>	
Hydraulics	83,493	21.8%	57,934	22.0%	+44.1%
Water-Jetting	<u>39,930</u>	29.1%	<u>30,697</u>	27.4%	+30.1%
<b>Total</b>	<b><u>123,423</u></b>	<b>23.8%</b>	<b><u>88,631</u></b>	<b>23.7%</b>	<b>+39.3%</b>

\* = Total sales include those to other Group companies in the other sector, while the sales analyzed previously are exclusively those external to the Group (see Note 2 in the explanatory notes). Accordingly, for consistency, the percentage is calculated on total sales rather than on those reported previously.

EBITDA for Q3 2022 benefited from the recognition of an advance insurance reimbursement of €4m linked to the plant fire in Romania. Excluding this phenomenon, EBITDA for Q3 2022 would have been 23% of sales, while that the Hydraulic Sector would have been 20.7% of sales. The actual dilution of Group profitability during the quarter was therefore very limited - from 23.7% to 23% - highlighting both the rapid implementation and, above all, the effectiveness of the countermeasures adopted to protect profitability, during a quarter characterized by strong inflationary pressures. These were particularly marked, both in absolute terms and with respect to a comparative period that, practically unaffected by such phenomena, delivered record results for the Group.

EBIT was €98.5m (19.0% of sales) compared with €68.7m in Q3 2021 (18.4% of sales), reflecting an increase of 43.4%.

Q3 closed with a consolidated net profit of €75.2m (€50.1m in Q3 2021), reflecting growth of 50.1%.

Basic earnings per share were EUR 0.709, compared to EUR 0.464 in Q3 2021.

## **BUSINESS OUTLOOK**

The current order backlog of the Interpump Group suggests that sales will continue to grow during the fourth quarter, confirming the possibility of exceeding the historical threshold of €2b by the end of 2022. The Group is ready to tackle the foreseeable challenges and, at the same time, will continue to focus on cost control, financial management and the containment of working capital, so that the established internal and external growth path can be maintained.

Sant'Ilario d'Enza (RE), 10 November 2022

For the Board of Directors  
Fulvio Montipò  
Chairman and Chief Executive Officer

Giovanni Poletti, 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 document correspond to the contents of the underlying documents, the accounting books and the accounting entries.

Sant'Ilario d'Enza (RE), 10 November 2022

Giovanni Poletti  
Manager responsible for drafting  
the company's accounting documents

## **Financial statements and notes**



## Consolidated statement of financial position

(€/000)	<u>Notes</u>	<u>30/09/2022</u>	<u>31/12/2021</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		347,133	349,015
Trade receivables		430,997	361,913
Inventories	4	678,755	515,958
Tax receivables		34,305	27,876
Other current assets		50,030	20,766
<b>Total current assets</b>		<b><u>1,541,220</u></b>	<b><u>1,275,528</u></b>
<b>Non-current assets</b>			
Property, plant and equipment	5	658,202	613,715
Goodwill	1	739,587	767,413
Other intangible assets		59,751	44,212
Other financial assets		2,882	2,250
Tax receivables		3,389	2,327
Deferred tax assets		66,242	63,658
Other non-current assets		2,713	2,183
<b>Total non-current assets</b>		<b><u>1,532,766</u></b>	<b><u>1,495,758</u></b>
Assets held for sale	6		1,460
<b>Total assets</b>		<b><u>3,073,986</u></b>	<b><u>2,772,746</u></b>

(€/000)	<u>Notes</u>	<u>30/09/2022</u>	<u>31/12/2021</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables		295,110	285,212
Payables to banks		25,025	7,760
Interest-bearing financial payables (current portion)		268,843	232,213
Tax liabilities		53,399	34,669
Other current liabilities		113,732	116,747
Provisions for risks and charges		5,647	4,694
<b>Total current liabilities</b>		<b><u>761,756</u></b>	<b><u>681,295</u></b>
<b>Non-current liabilities</b>			
Interest-bearing financial payables		657,018	603,966
Liabilities for employee benefits		24,446	23,937
Deferred tax liabilities		56,993	48,207
Tax liabilities		322	1,764
Other non-current liabilities		62,558	60,885
Provisions for risks and charges		13,142	13,028
<b>Total non-current liabilities</b>		<b><u>814,479</u></b>	<b><u>751,787</u></b>
<b>Total liabilities</b>		<b><u>1,576,235</u></b>	<b><u>1,433,082</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
	7		
Share capital		54,607	55,327
Legal reserve		11,323	11,323
Share premium reserve		(14,321)	66,472
Remeasurement reserve for defined benefit plans		(8,226)	(8,170)
Translation reserve		61,244	6,013
Other reserves		1,380,198	1,197,234
<b>Group shareholders' equity</b>		<b><u>1,484,825</u></b>	<b><u>1,328,199</u></b>
Non-controlling interests		12,926	11,465
<b>Total shareholders' equity</b>		<b><u>1,497,751</u></b>	<b><u>1,339,664</u></b>
<b>Total shareholders' equity and liabilities</b>		<b><u>3,073,986</u></b>	<b><u>2,772,746</u></b>

## 9M consolidated income statements

(€/000)	<i>Note</i> <i>s</i>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		<b>1,544,939</b>	<b>1,154,568</b>
Cost of sales		(1,008,462)	(733,757)
<b>Gross industrial margin</b>		<b>536,477</b>	<b>420,811</b>
Other operating income		32,167	17,326
Distribution expenses		(116,277)	(91,982)
General and administrative expenses		(146,991)	(118,143)
Other operating costs		(15,243)	(5,163)
<b>EBIT</b>		<b>290,133</b>	<b>222,849</b>
Financial income	8	26,274	9,598
Financial charges	8	(25,171)	(14,315)
Equity method contribution		115	43
<b>Profit for the period before taxes</b>		<b>291,351</b>	<b>218,175</b>
Income taxes		(76,618)	(39,744)
<b>Consolidated profit for the period</b>		<b>214,733</b>	<b>178,431</b>
<b>Attributable to:</b>			
Shareholders of Parent		212,557	176,458
Minority shareholders of subsidiaries		2,176	1,973
<b>Consolidated profit for the period</b>		<b>214,733</b>	<b>178,431</b>
Basic earnings per share	9	2.013	1.654
Diluted earnings per share	9	1.997	1.634

## 9M comprehensive consolidated income statements

(€/000)	<u>2022</u>	<u>2021</u>
<b>Consolidated profit (A)</b>	<b>214,733</b>	<b>178,431</b>
<b>Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit or loss</b>		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	55,829	21,819
<i>Gains (losses) from companies accounted for using the equity method</i>	420	85
<i>Applicable taxes</i>	-	-
<b>Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit or loss, net of the tax effect (B)</b>	<b><u>56,249</u></b>	<b><u>21,904</u></b>
<b>9M comprehensive consolidated profit (A) + (B)</b>	<b><u>270,982</u></b>	<b><u>200,335</u></b>
<b>Attributable to:</b>		
Shareholders of Parent	267,788	197,833
Minority shareholders of subsidiaries	3,194	2,502
<b>Comprehensive consolidated profit for the period</b>	<b><u>270,982</u></b>	<b><u>200,335</u></b>



### Q3 consolidated income statements

(€/000)		2022	2021
<b>Revenues</b>		<b>518,647</b>	<b>373,514</b>
Cost of sales		(342,083)	(240,773)
<b>Gross industrial margin</b>		<b>176,564</b>	<b>132,741</b>
Other operating income		17,213	5,940
Distribution expenses		(39,180)	(30,214)
General and administrative expenses		(48,078)	(38,136)
Other operating costs		(8,034)	(1,660)
<b>EBIT</b>		<b>98,485</b>	<b>68,671</b>
Financial income	8	11,117	1,991
Financial charges	8	(9,947)	(2,991)
Equity method contribution		255	(98)
<b>Profit for the period before taxes</b>		<b>99,910</b>	<b>67,573</b>
Income taxes		(24,690)	(17,474)
<b>Consolidated net profit for the period</b>		<b>75,220</b>	<b>50,099</b>
<b>Attributable to:</b>			
Shareholders of Parent		74,433	49,505
Minority shareholders of subsidiaries		787	594
<b>Consolidated profit for the period</b>		<b>75,220</b>	<b>50,099</b>
Basic earnings per share	9	0.709	0.464
Diluted earnings per share	9	0.706	0.458

### Q3 comprehensive consolidated income statements

(€/000)	2022	2021
<b>Q3 consolidated profit (A)</b>	<b>75,220</b>	<b>50,099</b>
<b>Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit or loss</b>		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	19,447	8,054
<i>Gains (losses) from companies accounted for using the equity method</i>	(29)	33
<i>Applicable taxes</i>	—	—
<b>Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit or loss, net of the tax effect (B)</b>	<b><u>19,418</u></b>	<b><u>8,087</u></b>
<b>Q3 comprehensive consolidated profit (A) + (B)</b>	<b><u>94,638</u></b>	<b><u>58,186</u></b>
<b>Attributable to:</b>		
Shareholders of Parent	93,805	57,427
Minority shareholders of subsidiaries	833	759
<b>Comprehensive consolidated profit for the period</b>	<b><u>94,638</u></b>	<b><u>58,186</u></b>

## 9M consolidated cash flow statements

(€/000)	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		
Profit before taxes	291,351	218,175
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(4,016)	(4,544)
Amortization and depreciation	73,250	57,156
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	3,689	3,415
Losses (profits) from investments	(115)	(43)
Net change in risk provisions and allocations to employee benefit provisions	1,051	642
Expenditures for tangible assets to be leased	(4,051)	(6,720)
Proceeds from the disposal of leased tangible assets	8,296	7,862
Net financial charges (revenues)	(1,109)	4,717
	<u><b>368,346</b></u>	<u><b>280,660</b></u>
(Increase) decrease in trade receivables and other current assets	(74,990)	(40,923)
(Increase) decrease in inventories	(133,183)	(51,951)
Increase (decrease) in trade payables and other current liabilities	29,795	56,249
Interest paid	(4,051)	(3,025)
Realized exchange differences	2,632	604
Taxes paid	(60,841)	(30,321)
<b>Net cash from operating activities</b>	<u><b>127,708</b></u>	<u><b>211,293</b></u>
<b>Cash flows from investing activities</b>		
Outlay for the acquisition of equity investments, net of cash received	(25,778)	(7,821)
Capital expenditure on property, plant and equipment	(79,531)	(59,771)
Proceeds from the sale of tangible fixed assets	952	1,873
Increase in intangible assets	(4,420)	(4,701)
Financial income received	481	401
Other	(1,193)	(405)
<b>Net cash (used in) investing activities</b>	<u><b>(109,489)</b></u>	<u><b>(70,424)</b></u>
<b>Cash flows from financing activities</b>		
Disbursements (repayments) of loans	94,249	156,059
Dividends paid	(30,387)	(28,812)
Disbursements for purchase of treasury shares	(94,793)	(12,338)
Proceeds from the sale of treasury shares to stock option beneficiaries	9,591	545
Disbursals (repayments) of shareholder loans	(568)	-
Change in other financial assets	-	(38)
Payment of finance lease installments (principal)	(20,462)	(13,778)
<b>Net cash generated by (used in) financing activities</b>	<u><b>(42,370)</b></u>	<u><b>101,638</b></u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u><b>(24,151)</b></u>	<u><b>242,507</b></u>

(€/000)	<u>2022</u>	<u>2021</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>(24,151)</u></b>	<b><u>242,507</u></b>
Translation differences for cash held by non-EU companies	5,004	3,656
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	-	73
Cash and cash equivalents at the beginning of the period	<u>341,255</u>	<u>332,578</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>322,108</u></b>	<b><u>578,814</u></b>

Cash and cash equivalents consist of the following:

	30/09/2022	31/12/2021
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	347,133	349,015
Bank payables (overdrafts and subject to collection advances)	<u>(25,025)</u>	<u>(7,760)</u>
Cash and cash equivalents as per the consolidated cash flow statement	<u>322,108</u>	<u>341,255</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 2021</i>	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	-	-	3,415	-	-	-	3,415	-	3,415
Purchase of treasury shares	(127)	-	(12,211)	-	-	-	(12,338)	-	(12,338)
Transfer of treasury shares to stock option beneficiaries	22	-	523	-	-	-	545	-	545
Transfer of treasury shares to pay for equity investments	39	-	3,036	-	-	-	3,075	-	3,075
Winding up of subsidiaries	-	-	-	-	-	-	-	(82)	(82)
Dividends paid	-	-	-	-	-	(26,685)	(26,685)	(2,067)	(28,752)
Dividends resolved	-	-	-	-	-	(1,067)	(1,067)	(1)	(1,068)
Comprehensive profit (loss) for 9M 2021	-	-	-	-	21,375	176,458	197,833	2,502	200,335
<i>At 30 September 2021</i>	55,396	11,323	73,456	(8,217)	(5,840)	1,178,235	1,304,353	10,754	1,315,107
Recognition in income statement of fair value of stock options granted and exercisable	-	-	971	-	-	-	971	-	971
Purchase of treasury shares	(91)	-	(9,968)	-	-	-	(10,059)	-	(10,059)
Transfer of treasury shares to stock option beneficiaries	7	-	162	-	-	-	169	-	169
Transfer of treasury shares to pay for equity investments	15	-	1,851	-	-	-	1,866	-	1,866
Winding up of subsidiaries	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	-	-	(425)	(425)	(240)	(665)
Dividends paid	-	-	-	-	-	(697)	(697)	(7)	(704)
Dividends resolved	-	-	-	-	-	697	697	1	698
Comprehensive profit (loss) for Q4 2021	-	-	-	47	11,853	19,424	31,324	957	32,281
<i>At 31 December 2021</i>	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	-	-	3,689	-	-	-	3,689	-	3,689
Purchase of treasury shares	(1,082)	-	(93,711)	-	-	-	(94,793)	-	(94,793)
Transfer of treasury shares to stock option beneficiaries	362	-	9,229	-	-	-	9,591	-	9,591
Transfer of treasury shares to pay for equity investments	-	-	-	-	-	-	-	-	-
Winding up of subsidiaries	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	(56)	-	65	9	(534)	(525)
Dividends paid	-	-	-	-	-	(29,092)	(29,092)	(1,199)	(30,291)
Dividends resolved	-	-	-	-	-	(566)	(566)	-	(566)
Comprehensive profit (loss) for 9M 2021	-	-	-	-	55,231	212,557	267,788	3,194	270,982
<i>At 30 September 2022</i>	54,607	11,323	(14,321)	(8,226)	61,244	1,380,198	1,484,825	12,926	1,497,751

## **Notes to the consolidated financial statements**

### ***General information***

Interpump Group S.p.A. is a company domiciled in Sant'Ilario d'Enza (Reggio Emilia, Italy) and incorporated under Italian law. The company is listed on the Milan stock exchange in the STAR segment.

The Group manufactures and markets high and very high-pressure plunger pumps, very high-pressure systems, power take-offs, hydraulic cylinders, valves and directional controls, hydraulic hoses and fittings and other hydraulic products. The Group has production facilities in Italy, the US, Germany, China, India, France, Portugal, Brazil, Bulgaria, Romania, Canada and South Korea.

Revenues are not affected by any significant degree of seasonality.

The consolidated financial statements include Interpump Group S.p.A. and its directly or indirectly controlled subsidiaries (hereinafter "the Group").

The consolidated financial statements at 30 September 2022 were approved by the Board of Directors today (10 November 2022).

### ***Basis of preparation***

The consolidated financial statements at 30 September 2022 were prepared in compliance with the international accounting standards (IAS/IFRS) endorsed by the European Union for interim financial statements (IAS 34). The tables were prepared in compliance with IAS 1, while the notes were prepared in condensed form, as allowed by IAS 34, and therefore do not include all the information required for annual financial statements prepared in compliance with IFRS standards. Accordingly, the consolidated financial statements at 30 September 2022 should be read together with the consolidated financial statements for the year ended 31 December 2021.

The accounting standards and criteria adopted in the consolidated financial statements at 30 September 2022 may conflict with IFRS provisions in force on 31 December 2022, due to the effect of future orientations of the European Commission with regard to the approval of international accounting standards or the issue of new standards, interpretations or implementing guidelines by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC).

Preparation of interim financial statements in compliance with IAS 34 - Interim Financial Reporting calls for judgments, estimates, and assumptions that have an effect on assets, liabilities, costs and revenues and on information regarding contingent assets and liabilities at the reporting date. Any estimates made may differ from the actual results obtained in the future. In addition, some measurement processes, notably those that are more complex, such as the determination of impairment losses on non-current assets, are generally only performed in a comprehensive manner at the time of preparing the annual financial statements, when all the necessary information is available, except in cases in which evidence of impairment exists, when the immediate measurement of any losses in value is required. Likewise, the actuarial valuations required to determine the liability for employee benefits are normally made when preparing the annual financial statements.

The consolidated financial statements are presented in thousands of euro. The financial statements are prepared using the cost method, with the exception of financial instruments, which are measured at fair value.

### **Accounting standards**

The accounting standards adopted are those described in the consolidated financial statements at 31 December 2021, with the exception of those adopted as from 1 January 2022 as described hereunder, and they were uniformly applied to all Group companies and all periods presented.

#### *a) Accounting standards, amendments and interpretations in force from 1 January 2022 and adopted by the Group*

- *Amendment to IFRS 3 - “Business Combinations”*. On 14 May 2020 the IASB published this amendment that updates references to the IAS Conceptual Framework without any change in the accounting for business combinations. The new amendment took effect on 1 January 2022.
- *Amendments to IAS 16 – “Property, Plant and Equipment: Proceeds before Intended Use”*. The IASB published this amendment in May 2020, prohibiting entities from deducting from the cost of an item of property, plant and equipment any proceeds from selling products made while bringing that item to the location or for the time necessary for it to become capable of operating in the manner intended by management. Instead, the entity must recognize the proceeds from selling such items, and the cost of producing them, in profit or loss.

The amendment took effect on 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies that amendment; its application has not however changed the economic and financial balances of the Group relating to 2021.

- *Annual Improvements 2018-2020 Cycle* On 14 May 2020 the IASB published a series of amendments comprising:
  - *Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter”*. As part of its annual improvements to IFRS standards 2018-2020, the IFRS has published an amendment to IFRS 1 that permits a subsidiary applying paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the latter’s date of transition to IFRSs. This amendment also applies to associates and joint ventures that elect to apply paragraph D16(a) of IFRS 1. It is effective for annual periods beginning on or after 1 January 2022.
  - *Amendment to IFRS 9 “Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities”*. As part of its annual improvements to IFRS standards 2018-2020, the IFRS has published an amendment to IFRS 9 that clarifies which fees an entity includes when assessing whether the conditions of a new or amended financial liability are substantially different to those of the original financial liability. These fees only include those paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on behalf of the other. The entity will apply this amendment to those financial liabilities that are amended or exchanged subsequent to the start of the financial year in which it is applied for the first time. The amendment took effect on 1 January 2022.
  - *Amendments to IAS 37 – “Onerous Contracts – Costs of Fulfilling a Contract”*. In May 2020, the IASB published amendments to IAS 37 to specify what costs must be considered by an entity when assessing whether a contract is onerous or loss-making.

The amendments requires application of the “directly-related cost” approach. Costs that relate directly to a contract for the supply of goods or services include both the incremental fulfillment costs and the costs directly attributable to the contractual activities. General and administrative expenses are not directly attributable to a contract and are excluded, unless they are explicitly rechargeable to the counterparty under the terms of the contract. The amendments took effect on 1 January 2022. The Group will apply these amendments to those contracts for which it has not yet satisfied all its obligations at the start of the financial year in which it applies them for the first time.

b) *New accounting standards and amendments not yet applicable and not adopted early by the Group*

- *Amendments to IAS 1 – “Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.* The IASB published these amendments on 23 January 2020 in order to clarify the presentation of liabilities in the statement of financial position. In particular, they clarify that:
  - the classification of liabilities as current or non-current should be based on the rights existing at the end of the reporting period and, in particular, on the right to defer payment for at least 12 months;
  - classification is not influenced by expectations regarding decisions by the entity to exercise its right to defer the payment of a liability;
  - payment refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The new amendments are applicable from 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact of these amendments on the existing situation.

- *Amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 “Disclosure of Accounting policies”.* The IASB published an amendment to this standard on 12 February 2021 in order to help companies to decide which accounting policies to disclose in their financial statements. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application is allowed.
- *Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”.* The IASB published an amendment to this standard on 12 February 2021 in order to introduce a new definition of accounting estimate and clarify the distinction between changes in accounting estimates, changes in accounting policies and corrections of errors. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application is allowed.
- *Amendments to “IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”.* On 7 May 2021 IASB published an amendment to this standard, which requires companies to recognize deferred tax assets and liabilities on specific transactions that, at the time of initial booking, give rise to equivalent timing differences (taxable and deductible) – for example, see transactions related to leasing contracts.
- *Amendments to “IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information”.* The IASB published this amendment to the transitional instructions for IFRS 17 on 9 December 2021. The amendment gives insurers an option for the purpose of improving the meaningfulness of the information to be provided to investors on initial application of the new standard. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application is allowed.



- *Amendments to “IFRS 16 Leases - Lease Liability in a Sale and Leaseback”*. On 22 September 2022 the IASB published the document entitled Lease Liability in a Sale and Leaseback, which amends IFRS 16 and clarifies how to account for a sale and leaseback after the date of the transaction. The amendment applies to reporting periods beginning on or after 1 January 2024. Early application is allowed.

**Notes to the consolidated financial statements at 30 September 2022**

	Page
1. Scope of consolidation and goodwill	43
2. Business sector information	47
3. Acquisition of equity investments	53
4. Inventories and detail of changes in the Inventories allowance	54
5. Property, plant and equipment	54
6. Assets held for sale	54
7. Shareholders' equity	55
8. Financial income and charges	56
9. Earnings per share	57
10. Transactions with related parties	58
11. Disputes, Contingent liabilities and Contingent assets	59

## 1. Scope of consolidation and goodwill

The scope of consolidation at 30 September 2022 comprises the Parent company and the following subsidiaries:

<u>Company</u>	<u>Head office</u>	<u>Share capital</u> <u>€/000</u>	<u>Sector</u>	<u>% held</u> <u>at 30/09/2022</u>
GP Companies Inc.	Minneapolis (USA)	1,854	Water-Jetting	100.00%
Hammelmann GmbH	Oelde (Germany)	25	Water-Jetting	100.00%
Hammelmann Australia Pty Ltd (1)	Melbourne (Australia)	472	Water-Jetting	100.00%
Hammelmann Corporation Inc (1)	Miamisburg (USA)	39	Water-Jetting	100.00%
Hammelmann S. L. (1)	Zaragoza (Spain)	500	Water-Jetting	100.00%
Hammelmann Pumps Systems Co Ltd (1)	Tianjin (China)	871	Water-Jetting	90.00%
Hammelmann France S.a.r.l. (1)	Etrichè (France)	50	Water-Jetting	100.00%
Hammelmann Swiss GmbH (1)	Dudingén (Switzerland)	89	Water-Jetting	100.00%
Inoxihp S.r.l.	Nova Milanese (MI)	119	Water-Jetting	52.72%
NLB Corporation Inc.	Detroit (USA)	12	Water-Jetting	100.00%
NLB Poland Corp. Sp. Z.o.o. (2)	Warsaw (Poland)	-	Water-Jetting	100.00%
Inoxpa S.A.	Banyoles (Spain)	23,000	Water-Jetting	100.00%
Inoxpa India Private Ltd (3)	Pune (India)	6,779	Water-Jetting	100.00%
Inoxpa Solutions France (3)	Gleize (France)	2,071	Water-Jetting	100.00%
Improved Solutions Unipessoal Ltda (Portugal) (3)	Vale de Cambra (Portugal)	760	Water-Jetting	100.00%
Inoxpa (UK) Ltd (3)	Eastbourne (UK)	1,942	Water-Jetting	100.00%
Inoxpa Solutions Moldova (3)	Chisinau (Moldova)	317	Water-Jetting	66.67%
Inoxpa Colombia SAS (3)	Bogotá (Colombia)	133	Water-Jetting	83.29%
Inoxpa Italia S.r.l. (3)	Mirano (VE)	100	Water-Jetting	100.00%
Inoxpa Skandinavien A/S (3)	Horsens (Denmark)	134	Water-Jetting	100.00%
Inoxpa South Africa Proprietary Ltd (3)	Gauteng (South Africa)	104	Water-Jetting	100.00%
Inoxpa Special Processing Equipment Co. Ltd (3)	Jianxing (China)	1,647	Water-Jetting	100.00%
Inoxpa Ukraine (3)	Kiev (Ukraine)	113	Water-Jetting	100.00%
Inoxpa USA Inc. (3)	Santa Rosa (USA)	1,426	Water-Jetting	100.00%
INOXPA LTD (Russia) (3)	Podolsk (Russia)	1,435	Water-Jetting	70.00%
Inoxpa Mexico S.A. de C.V. (3)	Mexico City (Mexico)	309	Water-Jetting	100.00%
Pioli S.r.l.	Reggio Emilia	10	Water-Jetting	100.00%
Servizi Industriali S.r.l.	Ozzano Emilia (BO)	100	Water-Jetting	80.00%
SIT S.p.A.	S. Ilario d'Enza (RE)	105	Water-Jetting	80.00%
Teknova S.r.l. (in liquidation)	Reggio Emilia	28	Water-Jetting	100.00%
Interpump Hydraulics S.p.A.	Calderara di Reno (BO)	2,632	Hydraulics	100.00%
Contarini Leopoldo S.r.l. (4)	Lugo (RA)	47	Hydraulics	100.00%

*Interim Board of Directors' Report at 30 September 2022 – Interpump Group*

Unidro Contarini S.a.s. (5)	Barby (France)	8	Hydraulics	100.00%
Copa Hydrosystem Ood (5)	Troyan (Bulgaria)	3	Hydraulics	100.00%
Hydrocar Chile S.A. (4)	Santiago (Chile)	129	Hydraulics	90.00%
Hydroven S.r.l. (4)	Tezze sul Brenta (VI)	200	Hydraulics	100.00%
Interpump Hydraulics Brasil Ltda (4)	Caxia do Sul (Brazil)	15,126	Hydraulics	100.00%
Interpump Hydraulics France S.a.r.l. (4)	Ennery (France)	76	Hydraulics	99.77%
Interpump Hydraulics India Private Ltd (4)	Hosur (India)	682	Hydraulics	100.00%
Interpump Hydraulics Middle East FZE (4)	Dubai (UAE)	326	Hydraulics	100.00%
Interpump South Africa Pty Ltd (4)	Johannesburg (South Africa)	-	Hydraulics	100.00%
Interpump Hydraulics (UK) Ltd. (4)	Kidderminster (United Kingdom)	13	Hydraulics	100.00%

*Interim Board of Directors' Report at 30 September 2022 – Interpump Group*

<u>Company</u>	<u>Head office</u>	<u>Share capital</u>	<u>Sector</u>	<u>% held at 30/06/2022</u>
		<u>€/000</u>		
Mega Pacific Pty Ltd (6)	Newcastle (Australia)	335	Hydraulics	100.00%
Mega Pacific NZ Pty Ltd (6)	Mount Maunganui (New Zealand)	557	Hydraulics	100.00%
Muncie Power Prod. Inc. (4)	Muncie (USA)	784	Hydraulics	100.00%
American Mobile Power Inc. (7)	Fairmount (USA)	3,410	Hydraulics	100.00%
Hydra Dyne Tech Inc (7)	Ingersoll (Canada)	80	Hydraulics	75.00%
Oleodinamica Panni S.r.l. (4)	Tezze sul Brenta (VI)	2,000	Hydraulics	100.00%
Wuxi Interpump Weifu Hydraulics Company Ltd (4)	Wuxi (China)	2,095	Hydraulics	65.00%
IMM Hydraulics S.p.A. (4)	Atessa (Switzerland)	520	Hydraulics	100.00%
Hypress France S.a.r.l. (8)	Strasbourg (France)	162	Hydraulics	100.00%
Interpump Fluid Solutions Germany GmbH (8)	Meinerzhagen (Germany)	52	Hydraulics	100.00%
IMM Hydro Est (8)	Catcau Cluj Napoca (Romania)	3,155	Hydraulics	100.00%
FGA S.r.l. (8)	Fossacesia (CH)	10	Hydraulics	100.00%
Innovativ Gummi Tech S.r.l. (8)	Ascoli Piceno (AP)	4,100	Hydraulics	100.00%
Tekno Tubi S.r.l. (8)	Terre del Reno (FE)	100	Hydraulics	100.00%
Tubiflex S.p.A.	Orbassano (TO)	515	Hydraulics	100.00%
Walvoil S.p.A.	Reggio Emilia	7,692	Hydraulics	100.00%
Walvoil Fluid Power Corp. (9)	Tulsa (USA)	137	Hydraulics	100.00%
Walvoil Fluid Power (India) Pvt. Ltd. (9)	Bangalore (India)	4,803	Hydraulics	100.00%
Walvoil Fluid Power Korea Llc. (9)	Pyeongtaek (South Korea)	453	Hydraulics	100.00%
Walvoil Fluid Power France S.a.r.l. (9)	Vritz (France)	10	Hydraulics	100.00%
Walvoil Fluid Power Australasia (9)	Melbourne (Australia)	7	Hydraulics	100.00%
Galtech Canada Inc. (9)	Terrebonne, Quebec (Canada)	76	Hydraulics	100.00%
Walvoil Fluid Power (Dongguan) Co., Ltd (9)	Dongguan (China)	3,720	Hydraulics	100.00%
Reggiana Riduttori S.r.l.	S. Polo d'Enza (RE)	6,000	Hydraulics	100.00%
RR USA Inc. (13)	Boothwyn (USA)	1	Hydraulics	100.00%
RR Canada Inc. (13)	Vaughan (Canada)	1	Hydraulics	100.00%
RR Holland BV (13)	Oosterhout (Netherlands)	19	Hydraulics	100.00%
RR France S.a.r.l. (13)	Thouare sur Loire (France)	400	Hydraulics	95.00%
RR Slovakia A.S. (13)	Zvolen (Slovakia)	340	Hydraulics	100.00%
RR Pacific Pty Ltd (13)	Victoria (Australia)	249	Hydraulics	100.00%
RR India Pvt. Ltd (13)	New Delhi (India)	52	Hydraulics	99.99%
Reggiana Riduttori (Suzhou) Co. Ltd (13)	Suzhou (China)	600	Hydraulics	100.00%
Transtecno S.r.l.	Anzola dell'Emilia (BO)	100	Hydraulics	80.00%
Draintech S.r.l (14)	Anzola dell'Emilia (BO)	10	Hydraulics	80.00%
Hangzhou Transtecno Power Transmissions Co. Ltd (14)	Hangzhou (China)	575	Hydraulics	72.00%
Transtecno Iberica the Modular Gearmotor S.A. (14)	Gava (Spain)	94	Hydraulics	50.40%
MA Transtecno S.A.P.I. de C.V. (14)	Apodaca (Mexico)	124	Hydraulics	50.40%
Transtecno USA LLC (16)	Miami (USA)	3	Hydraulics	100.00%
Transtecno BV (14)	Amersfoort (Netherlands)	18	Hydraulics	51.00%
Transtecno Aandrijftechniek (Netherlands) (15)	Amersfoort (Netherlands)	-	Hydraulics	51.00%
Interpump Piping GS S.r.l.	Reggio Emilia	10	Hydraulics	100.00%
GS-Hydro Singapore Pte Ltd (10)	Singapore	624	Hydraulics	100.00%
GS-Hydro Korea Ltd. (10)	Busan (South Korea)	1,892	Hydraulics	100.00%
GS Hydro Denmark AS (10)	Kolding (Denmark)	67	Hydraulics	100.00%
GS-Hydro Piping Systems (Shanghai) Co. Ltd. (11)	Shanghai (China)	2,760	Hydraulics	100.00%
GS-Hydro Benelux B.V. (10)	Barendrecht (Netherlands)	18	Hydraulics	100.00%

Interim Board of Directors' Report at 30 September 2022 – Interpump Group

<u>Company</u>	<u>Head office</u>	<u>Share capital</u>		<u>% held at 30/06/2022</u>
		<u>€/000</u>	<u>Sector</u>	
GS-Hydro Austria GmbH (10)	Pashing (Austria)	40	Hydraulics	100.00%
GS-Hydro Sp Z O (Poland) (10)	Gdynia (Poland)	1,095	Hydraulics	100.00%
GS-Hydro S.A.U (Spain) (10)	Las Rozas (Spain)	90	Hydraulics	100.00%
Suministros Franquesa S.A. (17)	Lleida (Spain)	160	Hydraulics	100.00%
GS-Hydro U.S. Inc. (7)	Houston (USA)	9,903	Hydraulics	100.00%
GS-Hydro do Brasil Sistemas Hidraulicos Ltda (10)	Rio de Janeiro (Brazil)	252	Hydraulics	100.00%
GS-Hydro System GmbH (Germany) (10)	Witten (Germany)	179	Hydraulics	100.00%
GS- Hydro UK Ltd (10)	Sunderland (United Kingdom)	5,095	Hydraulics	100.00%
GS-Hydro Ab (Sweden) (10)	Kista (Sweden)	120	Hydraulics	100.00%
GS-Hydro Hong Kong Ltd (1)	Hong Kong	1	Hydraulics	100.00%
IMM Hydraulics Ltd (dormant) (6)	Kidderminster (United Kingdom)	-	Hydraulics	100.00%
Bristol Hose Ltd (dormant) (6)	Bristol (United Kingdom)	-	Hydraulics	100.00%
White Drive Motors and Steering Sp. z o.o.	Wroclaw (Poland)	33,254	Hydraulics	100.00%
White Drive Motors and Steering GmbH	Parchim (Germany)	33,595	Hydraulics	100.00%
White Drive Motors and Steering, LLC	Hopkinsville (USA)	46,328	Hydraulics	100.00%

(1) = controlled by Hammelmann GmbH

(2) = controlled by NLB Corporation Inc. .

(3) = controlled by Inoxpa S.A.

(4) = controlled by Interpump Hydraulics S.p.A.

(5) = controlled by Contarini Leopoldo S.r.l.

(6) = controlled by Interpump Hydraulics (UK) Ltd.

(7) = controlled by Muncie Power Prod. Inc

(8) = controlled by IMM Hydraulics S.p.A.

(9) = controlled by Walvoil S.p.A.

The other companies are controlled by Interpump Group S.p.A.

(10) = controlled by Interpump Piping GS S.r.l.

(11) = controlled by GS Hydro Hong Kong Ltd

(12) = controlled by Interpump Hydraulics Brasil Ltda

(13) = controlled by Reggiana Riduttori S.r.l.

(14) = controlled by Transtecno S.r.l.

(15) = controlled by Transtecno B.V.

(16) = controlled by MA Transtecno S.A.P.I. de C.V.

(17) = controlled by GS Hydro S.A.U.

Compared with 9M 2021, the Hydraulic Sector has consolidated a number of additional companies in 2022: the three White Drive companies acquired in October 2021, Berma S.r.l. acquired in November 2021 and absorbed by Reggiana Riduttori with effect from 1 January 2022, and Draintech S.r.l., which was acquired on 11 April 2022.

The minority quotaholder of Inoxihp S.r.l. has the right to dispose of its holdings starting from approval of the 2025 financial statements up to the 2035 financial statements, on the basis of the average results of the company reported in the last two financial statements prior to exercise of the option. The minority shareholder of Inoxpa Solution Moldova has the right to dispose of its holdings from October 2020, based on the most recent statement of financial position of that company. The minority shareholder of Hydra Dyne has the right and obligation to dispose of its holdings starting from approval of the 2023 financial statements based on the average of the results for the two years prior to exercise of the option. The minority quotaholder of Transtecno S.r.l. has the right and obligation to dispose of its holdings during 2024, based on the results for the year prior to exercise of the option. Furthermore, Interpump Group S.p.A. is required to purchase the residual 20% interest in Servizi Industriali S.r.l., commencing from 2024, and the residual 20% interest in Draintech, commencing from April 2025.

In compliance with the requirements of IFRS 10 and IFRS 3, Inoxihp, Inoxpa Solution Moldova, Hydra Dyne, Transtecno, Servizi Industriali and Draintech have been consolidated in full, recording a payable representing an estimate of the present value of the exercise price

of the options determined with reference to the business plans of the companies. Any changes in the above payable identified within 12 months of the date of acquisition, as a result of additional or better information, will be recorded as an adjustment of goodwill, while any changes emerging more than 12 months after the date of acquisition will be recognized in the income statement.

Investments in other companies, including subsidiaries, that have not been consolidated due to their insignificance are measured at fair value.

The changes in goodwill during 9M 2022 were as follows:

<i>Company:</i>	Balance at 31/12/2021	Increases in the period	(Decreases) in the period	Changes due to foreign exchange differences	Balance at 30/09/2022
Water-Jetting	213,645	-	-	6,462	220,107
Hydraulics	<u>553,768</u>	<u>1,397</u>	<u>(32,787)</u>	<u>(2,898)</u>	<u>519,480</u>
<i>Total goodwill</i>	<u>767,413</u>	<u>1,397</u>	<u>(32,787)</u>	<u>3,564</u>	<u>739,587</u>

The increases in 2022 relate to the acquisition of Draintech. The decreases, on the other hand, reflect price adjustments relating to the acquisition of White Drive.

## 2. Business sector information

Business sector information is supplied with reference to the operating sectors. We also present the information required by IFRS by geographical area. The information provided about business sectors reflects the Group's internal reporting structure.

The values of components or products transferred between sectors are the effective sales price between Group companies, which correspond to the selling prices applied to the best customers.

Sector information includes directly attributable costs and costs allocated on the basis of reasonable estimates. The holding costs, i.e. remuneration of directors and statutory auditors of the parent company and functions of the Group's financial management, control and internal auditing department, and also consultancy costs and other related costs were booked to the sectors on the basis of sales.

### Business sectors

The Group comprises the following business sectors:

*Water-Jetting Sector.* This sector is mainly composed of high and very high-pressure pumps and pumping systems used in a wide range of industrial sectors for the conveyance of fluids. High pressure plunger pumps are the main component of professional pressure washers. These pumps are also utilized for a broad range of industrial applications including car wash installations, forced lubrication systems for machine tools, and inverse osmosis systems for water desalination plants. Very high-pressure pumps and systems are used for cleaning surfaces, ships, various types of pipes, and also for removing machining burr, cutting and removing cement, asphalt, and paint coatings from stone, cement and metal surfaces, and for cutting solid materials. The Sector also includes high pressure homogenizers, mixers, agitators, piston pumps, valves and other machines produced mainly for the food processing industry and also used in the chemicals and cosmetics sectors.

*Hydraulic Sector.* This sector includes the production and sale of power take-offs, hydraulic cylinders and pumps, directional controls, valves, rotary unions, hydraulic hoses and fittings, gears and other hydraulic components. Power take-offs are mechanical units used to transmit energy from the engine or gearbox of an industrial vehicle in order to drive, via hydraulic components, its various applications. These products, combined with other hydraulic components (directional control manifolds, controls, etc.) allow the execution of special functions such as lifting tipping bodies, operating truck-mounted cranes, operating truck mixer truck drums, and so forth. Hydraulic cylinders are components of the hydraulic system of various vehicle types employed in a wide range of applications depending on the type. Front-end and underbody cylinders (single acting) are fitted mainly on industrial vehicles in the building construction sector, while double acting cylinders are employed in a range of applications: earthmoving machinery, agricultural machinery, cranes and truck cranes, waste compactors, etc. The hydraulic hoses and fittings are designed for use in a broad range of hydraulic systems and also for very high pressure water systems. Gears facilitate the mechanical transmission of energy, with applications in various industrial sectors including agriculture, materials handling, mining, heavy industry, marine & offshore, aerial platforms, forestry and sugar production. The Group also designs and makes piping systems for the industrial, naval and offshore sectors.



**Interpump Group business sector information**

(Amounts shown in €/000)

**Cumulative at 30 September (nine months)**

	Hydraulics		Water-Jetting		Elimination entries		Interpump Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues outside the Group	1,148,454	812,620	396,485	341,948			1,544,939	1,154,568
Inter-sector revenues	2,491	721	3,006	3,646	(5,497)	(4,367)	-	-
<b>Total revenues</b>	<b>1,150,945</b>	<b>813,341</b>	<b>399,491</b>	<b>345,594</b>	<b>(5,497)</b>	<b>(4,367)</b>	<b>1,544,939</b>	<b>1,154,568</b>
Cost of sales	(796,938)	(549,150)	(217,035)	(188,990)	5,511	4,383	(1,008,462)	(733,757)
<b>Gross industrial margin</b>	<b>354,007</b>	<b>264,191</b>	<b>182,456</b>	<b>156,604</b>	<b>14</b>	<b>16</b>	<b>536,477</b>	<b>420,811</b>
<i>% of revenues</i>	30.8%	32.5%	45.7%	45.3%			34.7%	36.4%
Other operating income	26,351	12,151	6,511	5,858	(695)	(683)	31,167	17,326
Distribution expenses	(72,283)	(55,310)	(44,360)	(37,021)	366	349	(116,277)	(91,982)
General and administrative expenses	(100,105)	(75,762)	(47,201)	(42,699)	315	318	(146,991)	(118,143)
Other operating costs	(14,751)	(3,703)	(492)	(1,460)	-	-	(15,243)	(5,163)
<b>EBIT</b>	<b>193,219</b>	<b>141,567</b>	<b>96,914</b>	<b>81,282</b>	<b>-</b>	<b>-</b>	<b>290,133</b>	<b>222,849</b>
<i>% of revenues</i>	16.8%	17.4%	24.4%	23.5%			18.8%	19.3%
Financial income	20,976	7,215	6,111	3,420	(813)	(1,037)	26,274	9,598
Financial charges	(20,531)	(12,197)	(5,453)	(3,155)	813	1,037	(25,171)	(14,315)
Dividends			41,000	44,054	(41,000)	(44,054)	-	-
Equity method contribution	82	67	33	(24)	-	-	115	43
<b>Profit for the period before taxes</b>	<b>193,746</b>	<b>136,652</b>	<b>138,605</b>	<b>125,577</b>	<b>(41,000)</b>	<b>(44,054)</b>	<b>291,351</b>	<b>218,175</b>
Income taxes	(52,134)	(17,740)	(24,484)	(22,004)	-	-	(76,618)	(39,744)
<b>Consolidated profit for the period</b>	<b>141,612</b>	<b>118,912</b>	<b>114,121</b>	<b>103,573</b>	<b>(41,000)</b>	<b>(44,054)</b>	<b>214,733</b>	<b>178,431</b>
<b>Attributable to:</b>								
Shareholders of Parent	139,951	117,345	113,606	103,167	(41,000)	(44,054)	212,557	176,458
Minority shareholders of subsidiaries	1,661	1,567	515	406	-	-	2,176	1,973
<b>Consolidated profit for the period</b>	<b>141,612</b>	<b>118,912</b>	<b>114,121</b>	<b>103,573</b>	<b>(41,000)</b>	<b>(44,054)</b>	<b>214,733</b>	<b>178,431</b>
<b>Further information required by IFRS 8</b>								
Amortization, depreciation and write-downs	56,844	41,476	16,406	15,680	-	-	73,250	57,156
Other non-monetary costs	2,676	3,375	2,995	2,364	-	-	5,671	5,739

**Interpump Group business sector information**  
(Amounts shown in €'000)

**Q3**

	Hydraulics		Water-Jetting		Elimination entries		Interpump Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues outside the Group	382,332	262,614	136,315	110,900			518,647	373,514
Inter-sector revenues	891	225	937	963	(1,828)	(1,188)	-	-
<b>Total revenues</b>	<b>383,223</b>	<b>262,839</b>	<b>137,252</b>	<b>111,863</b>	<b>(1,828)</b>	<b>(1,188)</b>	<b>518,647</b>	<b>373,514</b>
Cost of sales	(269,454)	(179,722)	(74,457)	(62,247)	1,828	1,196	(342,083)	(240,773)
<b>Gross industrial margin</b>	<b>113,769</b>	<b>83,117</b>	<b>62,795</b>	<b>49,616</b>	-	<b>8</b>	<b>176,564</b>	<b>132,741</b>
<i>% of revenues</i>	29.7%	31.6%	45.8%	44.4%			34.0%	35.5%
Other operating income	15,218	4,179	2,161	1,959	(166)	(198)	17,213	5,940
Distribution expenses	(23,974)	(18,117)	(15,260)	(12,162)	54	65	(39,180)	(30,214)
General and administrative expenses	(32,746)	(24,314)	(15,444)	(13,947)	112	125	(48,078)	(38,136)
Other operating costs	(7,948)	(1,213)	(86)	(447)	-	-	(8,034)	(1,660)
<b>EBIT</b>	<b>64,319</b>	<b>43,652</b>	<b>34,166</b>	<b>25,019</b>	-	-	<b>98,485</b>	<b>68,671</b>
<i>% of revenues</i>	16.8%	16.6%	24.9%	22.4%			19.0%	18.4%
Financial income	8,964	1,363	2,419	983	(266)	(355)	11,117	1,991
Financial charges	(7,559)	(2,534)	(2,654)	(812)	266	355	(9,947)	(2,991)
Dividends	-	-	-	4	-	(4)	-	-
Equity method contribution	200	(13)	55	(85)	-	-	255	(98)
<b>Profit for the period before taxes</b>	<b>65,924</b>	<b>42,468</b>	<b>33,986</b>	<b>25,109</b>	-	(4)	<b>99,910</b>	<b>67,573</b>
Income taxes	(16,451)	(10,858)	(8,239)	(6,616)	-	-	(24,690)	(17,474)
<b>Consolidated profit for the period</b>	<b>49,473</b>	<b>31,610</b>	<b>25,747</b>	<b>18,493</b>	-	(4)	<b>75,220</b>	<b>50,099</b>
<b>Attributable to:</b>								
Shareholders of Parent	48,859	31,173	25,574	18,336	-	(4)	74,433	49,505
Minority shareholders of subsidiaries	614	437	173	157	-	-	787	594
<b>Consolidated profit for the period</b>	<b>49,473</b>	<b>31,610</b>	<b>25,747</b>	<b>18,493</b>	-	(4)	<b>75,220</b>	<b>50,099</b>
<b>Further information required by IFRS 8</b>								
Amortization, depreciation and write-downs	19,082	14,005	5,583	5,368	-	-	24,665	19,373
Other non-monetary costs	557	1,085	827	854	-	-	1,384	1,939

**Financial position**  
**(Amounts shown in €/000)**

	Hydraulics		Water-Jetting		Elimination entries		Interpump Group	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Assets by sector	2,004,028	1,785,883	852,591	743,742	(129,766)	(107,354)	2,726,853	2,422,271
Assets held for sale		1,460		-				1,460
<b>Assets of the sector (A)</b>	<b>2,004,028</b>	<b>1,787,343</b>	<b>852,591</b>	<b>743,742</b>	<b>(129,766)</b>	<b>(107,354)</b>	<b>2,726,853</b>	<b>2,423,731</b>
Cash and cash equivalents							347,133	349,015
<b>Total assets</b>							<b>3,073,986</b>	<b>2,772,746</b>
<b>Liabilities of the sector (B)</b>	<b>542,398</b>	<b>481,717</b>	<b>159,435</b>	<b>136,986</b>	<b>(129,766)</b>	<b>(107,354)</b>	<b>572,067</b>	<b>511,349</b>
Debts for the payment of investments							53,282	77,794
Payables to banks							25,025	7,760
Interest-bearing financial payables							925,861	836,179
<b>Total liabilities</b>							<b>1,576,235</b>	<b>1,433,082</b>
<b>Total assets, net (A-B)</b>	<b>1,461,630</b>	<b>1,305,626</b>	<b>693,156</b>	<b>606,756</b>			<b>2,154,786</b>	<b>1,912,382</b>
<b><u>Further information required by IFRS 8</u></b>								
Investments measured using the equity method	1,008	529	616	434			1,624	963
Non-current assets other than financial assets and deferred tax assets	1,069,209	1,053,327	394,433	376,523			1,463,642	1,429,850

The 9M and Q3 comparison of the Hydraulic Sector on an unchanged perimeter basis is as follows:

	9M		Q3	
	2022	2021	2022	2021
Revenues outside the Group	969,784	812,620	320,342	262,614
Inter-sector revenues	2,491	721	891	225
<b>Total revenues</b>	<b>972,275</b>	<b>813,341</b>	<b>321,233</b>	<b>262,839</b>
Cost of sales	(663,468)	(549,150)	(220,758)	(179,722)
<b>Gross industrial margin</b>	<b>308,807</b>	<b>264,191</b>	<b>100,475</b>	<b>83,117</b>
<i>% on net sales</i>	<i>31.8%</i>	<i>32.5%</i>	<i>31.3%</i>	<i>31.6%</i>
Other operating income	18,859	12,151	8,056	4,179
Distribution expenses	(64,038)	(55,310)	(20,863)	(18,117)
General and administrative expenses	(85,234)	(75,762)	(28,365)	(24,314)
Other operating costs	(7,770)	(3,703)	(973)	(1,213)
<b>EBIT</b>	<b>170,624</b>	<b>141,567</b>	<b>58,330</b>	<b>43,652</b>
<i>% on net sales</i>	<i>17.5%</i>	<i>17.4%</i>	<i>18.2%</i>	<i>16.6%</i>
Financial income	14,277	7,215	5,167	1,363
Financial charges	(16,025)	(12,197)	(5,393)	(2,534)
Equity method contribution	82	67	200	(13)
<b>Profit for the period before taxes</b>	<b>168,958</b>	<b>136,652</b>	<b>58,304</b>	<b>42,468</b>
Income taxes	(47,244)	(17,740)	(14,903)	(10,858)
<b>Consolidated profit for the period</b>	<b>121,714</b>	<b>118,912</b>	<b>43,401</b>	<b>31,610</b>
<b>Attributable to:</b>				
Shareholders of Parent	120,053	117,345	42,787	31,173
Minority shareholders of subsidiaries	1,661	1,567	614	437
<b>Consolidated profit for the period</b>	<b>121,714</b>	<b>118,912</b>	<b>43,401</b>	<b>31,610</b>

The cash flows by business sector during 9M were as follows:

€/000	Hydraulics		Water-Jetting		Total	
	2022	2021	2022	2021	2022	2021
Cash flows from:						
Operating activities	64,712	140,843	62,996	70,450	127,708	211,293
Investing activities	(75,062)	(48,728)	(34,427)	(21,696)	(109,489)	(70,424)
Financing activities	(50,582)	(38,734)	8,212	140,372	(42,370)	101,638
Total	(60,932)	53,381	36,781	189,126	(24,151)	242,507

Investing activities in the Hydraulic Sector included €10,010k associated with the acquisition of equity investments (€6,420k in 9M 2021). Investing activities in the Water Jetting Sector included €15,768k associated with the acquisition of equity investments (€1,401k in 9M 2021).

The cash flows from the financing activities of the Water Jetting Sector included proceeds from the sale of treasury shares to the beneficiaries of stock options totaling €9,591k (€545k in 9M 2021), outlays for the purchase of treasury shares totaling €94,793k (€12,338k in 9M 2021) and the payment of dividends totaling €29,216k (€26,760k in 9M 2021). The financing activities of the Hydraulic Sector included the payment of dividends to companies in the Water Jetting Sector totaling €20,500k (€24,978k in 9M 2021).

### 3. Acquisition of investments

#### Berma S.r.l. and Draintech S.r.l.

The PPAs (*Purchase Price Allocations*) of Berma S.r.l. and Draintech S.r.l., published respectively in the Annual Financial Report at 31 December 2021 and the Half-year Financial Report at 30 June 2022, have not yet been finalized. The Group does not expect significant changes regarding either the PPA of Berma S.r.l., which will be finalized on 11 November 2022, or that of Draintech S.r.l., which will be finalized on 1 June 2023.

#### White Drive

The PPA (*Purchase Price Allocation*) of White Drive, provisionally recorded in the Annual Financial Report at 31 December 2021, was finalized on 30 September 2022.

The final purchase price allocation is presented below.

€/000	Amounts acquired	Adjustments to fair value	Carrying values in the acquiring company
Cash and cash equivalents	8,708	-	8,708
Trade receivables	30,952	-	30,952
Inventories	29,004	-	29,004
Tax receivables	1,368	-	1,368
Other current assets	565	-	565
Property, plant and equipment	67,001	13,465	80,466
Other intangible assets	918	16,058	16,976
Other financial fixed assets	34	-	34
Deferred tax assets	946	-	946
Other non-current assets	108	-	108
Trade payables	(35,205)	-	(35,205)
Tax liabilities	(1,254)	-	(1,254)
Other current liabilities	(7,639)	-	(7,639)
Provisions for risks and charges (current portion)	(100)	-	(100)
Leasing payables (non-current portion)	(13,280)	-	(13,280)
Deferred tax liabilities	-	(7,661)	(7,661)
Provision for risks (non-current portion)	(909)	-	(909)
Net assets acquired	<u>81,217</u>	<u>21,862</u>	<u>103,079</u>
Goodwill related to the acquisition			147,958
<b>Total net assets acquired</b>			<b><u>251,037</u></b>
Total amount paid in cash			274,333
Price adjustment			<u>(23,296)</u>
<b>Total acquisition cost (A)</b>			<b><u>251,037</u></b>
Net financial position acquired (B)			4,572
Total amount paid in cash			274,333
Price adjustment			<u>(23,296)</u>
<b>Total change in net financial position</b>			<b><u>255,609</u></b>
<b>Capital employed (A) + (B)</b>			<b><u>255,609</u></b>

The transaction was recorded using the acquisition method.

#### 4. Inventories and breakdown of changes in the Allowance for inventories

	30/09/2022	31/12/2021
	€/000	€/000
Inventories, gross value	725,296	558,715
Allowance for inventories	<u>(46,541)</u>	<u>(42,757)</u>
Inventories	<u>678,755</u>	<u>515,958</u>

Changes in the allowance for inventories were as follows:

	9M 2022	Year 2021
	€/000	€/000
Opening balances	42,757	37,566
Exchange rate difference	1,887	1,050
Change in consolidation basis	1,983	3,200
Provisions for the period	2,650	3,633
Releases in the period to cover losses	(2,451)	(1,653)
Release of excess provisions in the period	<u>(285)</u>	<u>(1,039)</u>
Closing balance	<u>46,541</u>	<u>42,757</u>

#### 5. Property, plant and equipment

##### *Purchases and disposals*

In 9M 2022 Interpump Group acquired assets for €90,366k, of which €483k via the acquisition of equity investments (€79,033k in 9M 2021, of which €1,811k via the acquisition of equity investments). Assets with a net carrying amount of €5,318k were divested in 9M 2022 (€5,238k in 9M 2021). A net capital gain was realized on the divested assets of €4,016k (€4,544k in 9M 2021).

##### *Contractual commitments*

At 30 September 2022 the Group has contractual commitments for the purchase of tangible fixed assets totaling €4,321k (€9,804k at 30 September 2021). The change since 2021 mainly reflects commitments signed for the construction of new buildings.

#### 6. Assets held for sale

At 31 December 2021, the Group classified a building in Atessa among the assets held for sale, as it was no longer used in the productive activities of IMM Hydraulics. Following the blaze at one of the principal production plants of IMM Hydro East, which caused massive damage to the building and its plant and machinery, the Interpump Group decided to reactivate and re-equip the building previously held for sale, in order to mitigate the fall in production in Romania. As a consequence, at 30 June 2022 that building was reclassified from assets held for sale to property, plant and equipment.

## 7. Shareholders' equity

### *Share capital*

Share capital comprises 108,879,294 ordinary shares with a unit par value of EUR 0.52 totaling €56,617,232.88. However, the share capital reported in the financial statements amounts to €54,607k, since the nominal value of purchased treasury shares, net of those sold, has been deducted from share capital in compliance with the reference accounting standards. At 30 September 2022 Interpump S.p.A. holds 3,866,463 shares in the portfolio, corresponding to 3.551% of share capital, acquired at an average unit cost of EUR 38.7871.

### *Treasury shares purchased*

The amount of the treasury shares held by Interpump Group S.p.A. is recorded in an equity reserve. During 9M 2022 Interpump Group purchased 2,080,000 treasury shares for €94,793k (243,569 treasury shares for €12,338k in 9M 2021).

### *Treasury shares sold*

In the context of the stock option plans, a total of 694,180 options were exercised during the period, resulting in the receipt of €9,591k (a total of 42,300 options were exercised in 9M 2021, with the collection of €545k). No treasury shares were divested during 9M 2022 in payment for equity investments (75,000 treasury shares divested in 9M 2021).

### *Dividends*

An ordinary dividend (coupon clipping date of 23 May) of EUR 0.28 per share was distributed on 25 May 2022 (EUR 0.26 in 2021).

### *Stock options*

The Shareholders' Meeting held on 29 April 2022 approved a new stock option plan, known as the "Interpump Incentive Plan 2022/2024", which envisages granting a maximum of 2,250,000 options at an exercise price of EUR 38.6496 each and, for options granted after 29 April 2023, at the official price quoted on the Italian Stock Exchange on the day prior to the grant date. At the meeting held on 29 April 2022, the Board of Directors granted 1,620,000 options to Chairman and Chief Executive Officer Fulvio Montipò, while 288,000 options were granted to other beneficiaries on 23 May 2022. Overall, a total of 1,908,500 options have therefore been granted.

The fair value of the stock options and the actuarial assumptions utilized in the binomial lattice model are as follows:

	Unit of measurement	
Number of shares granted	no.	1,620,000
Grant date		29 April 2022
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	EUR	8.4601
Expected volatility (expressed as the weighted average of the volatility values utilized to build the binomial lattice model)	%	31
Expected average duration of the plan life	years	4.93
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of the Eur Composite AA rates at 29 April 2022)	%	1.5540

	Unit of measurement	
Number of shares granted	no.	288,000
Grant date		23 May 2022
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	EUR	8.8040
Expected volatility (expressed as the weighted average of the volatility values utilized to build the binomial lattice model)	%	31
Expected average duration of the plan life	years	4.86
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of the Eur Composite AA rates at 29 April 2022)	%	1.6911

## 8. Financial income and expenses

The first nine months are analyzed as follows:

	2022	2021
	€/000	€/000
<u>Financial income</u>		
Interest income from liquid funds	408	401
Interest income from other assets	67	52
Foreign exchange gains	25,510	8,578
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	166	541
Other financial income	<u>123</u>	<u>26</u>
Total financial income	<u>26,274</u>	<u>9,598</u>
<u>Financial charges</u>		
Interest expense on bank loans	2,640	1,038
Lease interest expense	2,205	1,554
Interest expense on put options	349	370
Financial charges for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	3,009	3,972
Foreign exchange losses	16,486	7,009
Other financial charges	<u>482</u>	<u>372</u>
Total financial charges	<u>25,171</u>	<u>14,315</u>
Total financial charges (income), net	<u>(1,103)</u>	<u>4,717</u>

The breakdown for Q3 is as follows:

	2022	2021
	€/000	€/000
<u>Financial income</u>		
Interest income from liquid funds	173	114
Interest income from other assets	17	16
Foreign exchange gains	10,825	1,823
Other financial income	<u>102</u>	<u>38</u>
Total financial income	<u>11,117</u>	<u>1,991</u>
<u>Financial charges</u>		
Interest expense on bank loans	1,755	336
Lease interest expense	959	498



Interest expense on put options	92	116
Financial charges for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	2	-
Foreign exchange losses	7,100	1,969
Other financial charges	<u>39</u>	<u>72</u>
Total financial charges	<u>9,947</u>	<u>2,991</u>
Total financial charges (income), net	<u>(1,170)</u>	<u>1,000</u>

## 9. Earnings per share

### *Basic earnings per share*

Basic earnings per share are calculated as the consolidated net profit attributable to the owners of the Parent Company divided by the weighted average number of ordinary shares, as follows:

<i>9M</i>	<u>2022</u>	<u>2021</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>212,557</u>	<u>176,458</u>
Average number of shares in circulation	105,603,963	106,664,662
Basic earnings per share for the period (€)	<u>2.013</u>	<u>1.654</u>
 <i>Q3</i>	 <u>2022</u>	 <u>2021</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>74,433</u>	<u>49,505</u>
Average number of shares in circulation	104,989,939	106,618,234
Basic earnings per share for the quarter (€)	<u>0.709</u>	<u>0.464</u>

### *Diluted earnings per share*

Diluted earnings per share are calculated on the basis of diluted consolidated profit for the period attributable to the Parent company's shareholders, divided by the weighted average number of ordinary shares in circulation adjusted by the number of potentially dilutive ordinary shares. The calculation is as follows:

<i>9M</i>	<u>2022</u>	<u>2021</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>212,557</u>	<u>176,458</u>
Average number of shares in circulation	105,603,963	106,664,662
Number of potential shares for stock option plans (*)	<u>844,379</u>	<u>1,325,057</u>
Average number of shares (diluted)	<u>106,448,342</u>	<u>107,989,719</u>
Earnings per diluted share for the period (€)	<u>1.997</u>	<u>1.634</u>
 <i>Q3</i>	 <u>2022</u>	 <u>2021</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>74,433</u>	<u>49,505</u>
Average number of shares in circulation	104,989,939	106,618,234
Number of potential shares for stock option plans (*)	<u>479,655</u>	<u>1,561,931</u>
Average number of shares (diluted)	<u>105,469,594</u>	<u>108,180,165</u>
Earnings per diluted share for the quarter (€)	<u>0.706</u>	<u>0.458</u>

- (\*) calculated as the number of shares assigned for in-the-money stock option plans multiplied by the ratio of the difference between the average share price during the period and the exercise price on the numerator, to the average share price during the period on the denominator.

## 10. Transactions with related parties

The Group has relations with unconsolidated subsidiaries and other related parties at arm's length conditions considered to be normal in the respective reference markets, taking account of the characteristics of the goods and services rendered. Transactions between Interpump Group S.p.A. and its consolidated subsidiaries, which are related parties of the company, were eliminated from the interim consolidated financial statements and are not detailed in these notes.

The effects on the consolidated income statements for the first nine months of 2022 and 2021 are shown below:

	9M 2022					
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% of F.S. caption
(€/000)						
Revenues	1,544,939	1,300	-	548	1,848	0.1%
Cost of sales	1,008,462	824	-	5,141	5,965	0.6%
Other operating income	32,167	3	-	-	3	0.0%
Distribution expenses	116,277	30	-	622	652	0.6%
G&A expenses	146,991	-	-	491	491	0.3%
Financial charges	25,171	-	-	225	225	0.9%

	9M 2021					
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% of F.S. caption
(€/000)						
Revenues	1,154,568	1,639	-	397	2,036	0.2%
Cost of sales	733,757	778	-	6,265	7,043	1.0%
Other operating income	17,326	3	-	-	3	0.0%
Distribution expenses	91,982	26	-	529	555	0.6%
G&A expenses	118,143	-	-	474	474	0.4%
Financial income	9,598	-	-	28	28	0.3%
Financial charges	14,325	-	-	328	328	2.3%

The effects on the consolidated statement of financial position at 30 September 2022 and 2021 are described below:

	30 September 2022					
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% of F.S. caption
(€/000)						
Trade receivables	430,997	1,668	-	344	2,032	0.5%
Trade payables	295,110	109	-	1,375	1,484	0.5%
Provision for risks and charges - current	5,647	292	-	-	292	5.2%
Interest-bearing financial payables (current and non-current portions)	925,861	-	-	17,044	17,044	1.8%

	30 September 2021					% of F.S. caption
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	
(€/000)						
Trade receivables	309,651	2,002	-	350	2,352	0.8%
Trade payables	203,279	142	-	1,591	1,733	0.9%
Interest-bearing financial payables (current and non-current portions)	753,169	-	-	24,388	24,388	3.2%

#### *Relations with non-consolidated subsidiaries*

Relations with non-consolidated subsidiaries are as follows:

(€/000)	Receivables		Revenues	
	<u>30/09/2022</u>	<u>30/09/2021</u>	<u>2022</u>	<u>2021</u>
Interpump Hydraulics Perù	1,313	1,038	317	158
Interpump Hydraulics Russia	161	486	845	1,020
General Pump China Inc.	<u>214</u>	<u>478</u>	<u>140</u>	<u>464</u>
<i>Total subsidiaries</i>	<u>1,688</u>	<u>2,002</u>	<u>1,302</u>	<u>1,642</u>

(€/000)	Payables		Costs	
	<u>30/09/2022</u>	<u>30/09/2021</u>	<u>2022</u>	<u>2021</u>
General Pump China Inc.	100	142	850	781
Interpump Hydraulics Perù	9	-	5	23
Interpump Hydraulics Russia	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total subsidiaries</i>	<u>109</u>	<u>142</u>	<u>855</u>	<u>804</u>

#### *Relations with associates*

The Group does not hold investments in associated companies.

#### *Transactions with other related parties*

The 9M 2022 income statement includes consultancy provided by entities associated with the directors and statutory auditors of Group companies totaling €43k (€16k in 9M 2021). The consultancy costs incurred in 9M 2022 have been allocated in full to general and administrative expenses (also in 9M 2021). Revenues from sales in the period to 30 September 2022 included sales to companies owned by Group shareholders or directors totaling €548k (€397k in the period to 30 September 2021). In addition, the cost of sales includes purchases from companies controlled by minority shareholders or the directors of Group companies totaling €4,796k (€5,871k in 9M 2021).

### **11. Disputes, Contingent liabilities and Contingent assets**

The Parent company and some of its subsidiaries are directly involved in lawsuits for relatively limited amounts. The settlement of said lawsuits is not expected to generate any significant liabilities for the Group that are not covered by the risk provisions already made. There are no substantial changes to report in relation to the disputes or contingent liabilities that were outstanding at 31 December 2021.