



INTERPUMP GROUP

4Q and FY2021 PRELIMINARY FINANCIAL RESULTS

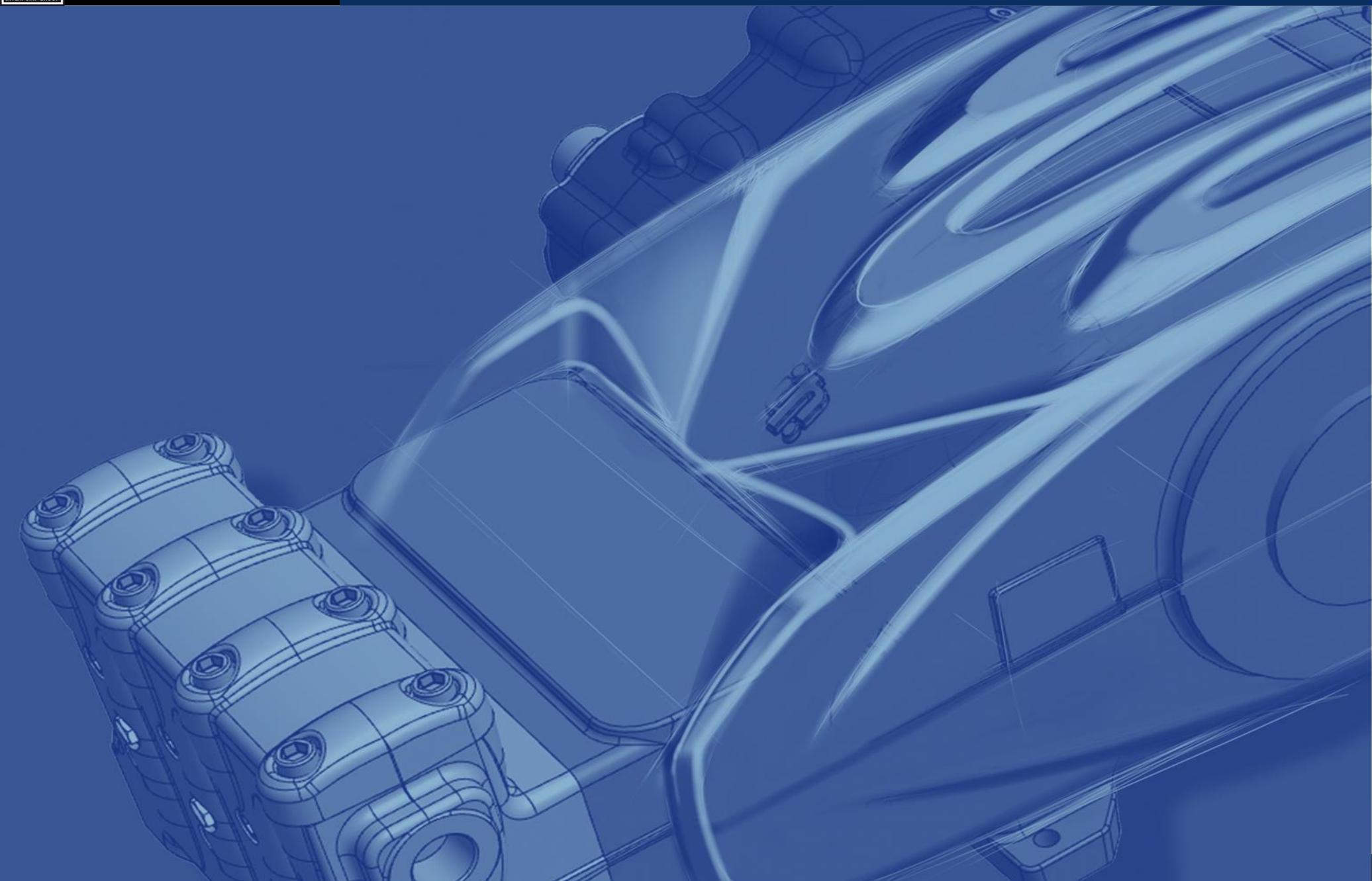
14 February 2022

- **KEY HIGHLIGHTS**
 - **2021 FINANCIAL RESULTS**
 - **2021 KEY EVENTS**
 - **GROUP SUSTAINABILITY PATH**
 - **2022 OUTLOOK**
 - **ANNEX**
- 
- A detailed technical drawing of a pump assembly, rendered in a blue wireframe style. The drawing shows various components of the pump, including a motor housing, a pump head, and various ports and fittings. The drawing is set against a dark blue background with a grid pattern.



2021

KEY HIGHLIGHTS



- In 2021 Interpump reached a strength without comparison in Group history:
 - 23.7% EBITDA margin
 - White Drive, the most important acquisition ever

- 20.1% of organic growth

- Profitability driven by production flexibility, pricing power and “inventory” shield
 - Both division at their historical records

- Building the base for next decade Group capacity
 - Almost half of CAPEX dedicated to new and more efficient production spaces

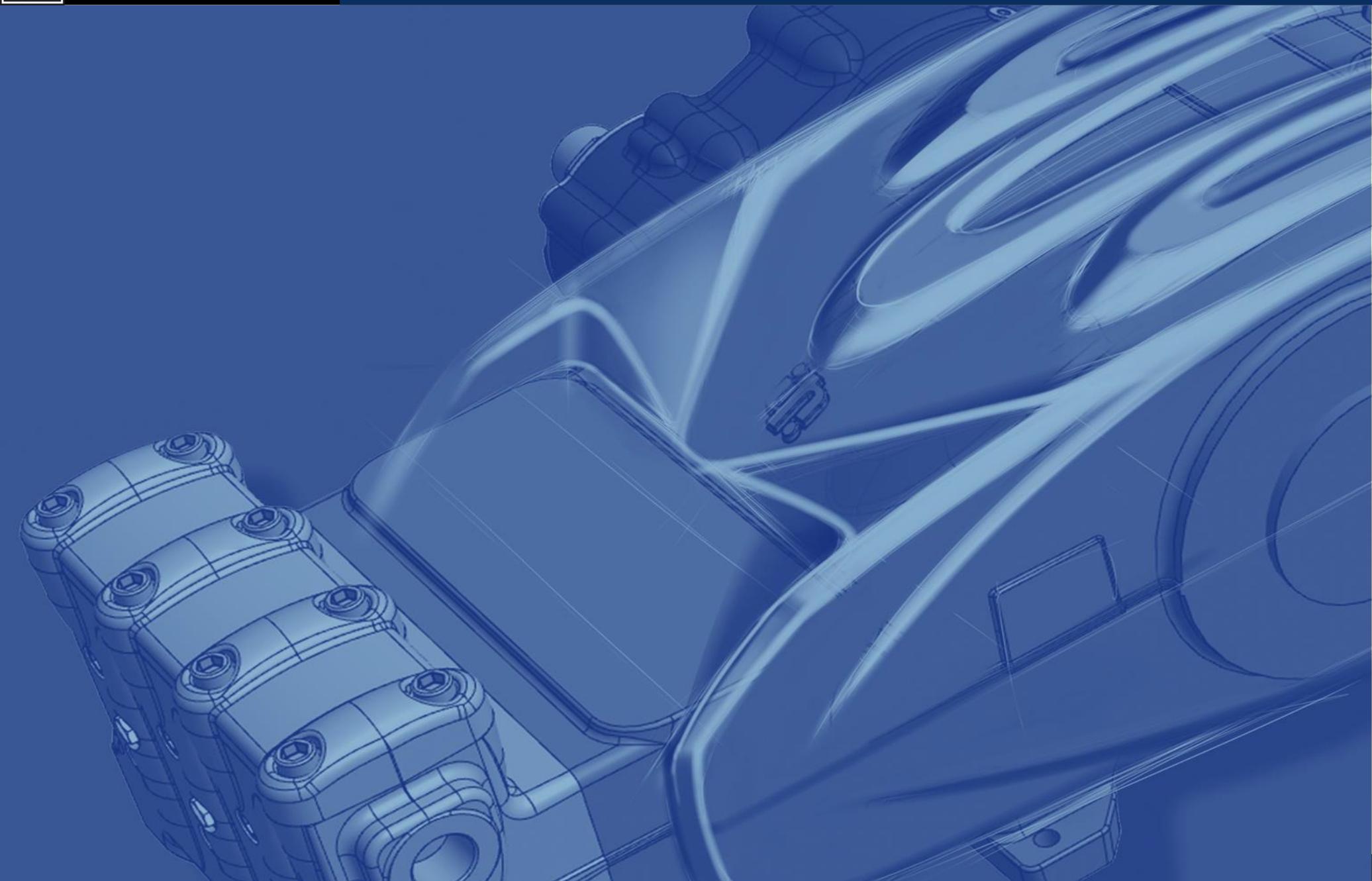
- Start of a project to consolidate and align Group sustainability activities and processes
 - Innovation and full integration with local environment the milestones

- In 2022 Interpump will focus on the consolidation and the protection of the gained advantaged



2021

FINANCIAL RESULTS



Million €	4QUARTER		FULL YEAR	
	2020	2021	2020	2021
Group Sales	296.5	340.1	1,294.4	1,604.3
Growth, of which		+32.2%		+23.9%
▪ Organic		+14.2%		+20.1%
▪ Perimeter change		+15.6%		+4.5%
▪ FX impact		+2.4%		-0.7%
EBITDA	78.8	97.8	294.1	379.8
Growth		+24.1%		+29.1%
% on net sales	23.2%	21.8%	22.7%	23.7%
Normalised Net Income <small>(1-2)</small>	44.3	54.7	44.3	54.7
NFP ⁽³⁾			269.5	494.9

⁽¹⁾ 4Q2021: €14.9m of negative adjustment related to “non-controlling interests held in subsidiaries” put options value and € 19.6m of negative adjustment on deferred tax asset (net effect between the recognizing as of 31.12. 2020 and 30.06.2021 of deferred tax assets on goodwill redemption and on trademarks revaluation respectively and their partial reversal following the legislative change in December 2021)

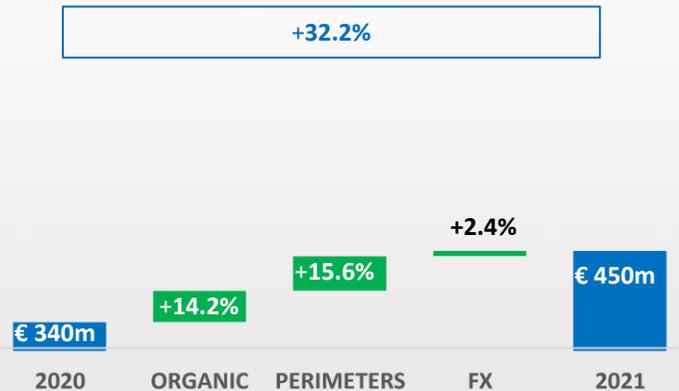
⁽²⁾ FY2021: €18.3m of negative adjustment related to “non-controlling interests held in subsidiaries” put options value and € 0.5m of positive negative adjustment on deferred tax asset (net effect between the recognizing as of 31.12. 2020 and 30.06.2021 of deferred tax assets on goodwill redemption and on trademarks revaluation respectively and their partial reversal following the legislative change in December 2021)

⁽³⁾ Commitment for subsidiary purchase equal to € 77.8m - 2.480.643 of treasury share (2.278% of share capital)

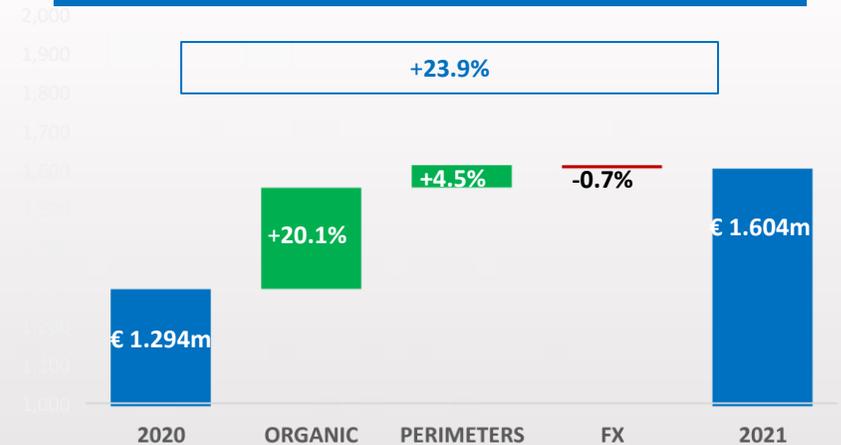
		Million €		4QUARTER		FULL YEAR	
				2020	2021	2020	2021
HYDRAULIC	SALES Growth			236.7	321.5 +35.8%	881.6	1,134.1 +28.6%
	EBITDA Growth <i>% on net sales</i>			50.6 21.4%	62.6 +23.8% 19.3%	183.5 20.8%	246.9 +34.6% 21.7%
WATER- JETTING	SALES Growth			103.4	128.2 +23.9%	412.8	470.1 +13.9%
	EBITDA Growth <i>% on net sales</i>			28.2 27.1%	35.2 +24.8% 27.2%	110.6 26.7%	132.8 +20.1% 28.0%

- € 1.604m of Group sales, up by close to 24% on total
 - Outstanding organic results, with an increase above 20%
- 4Q benefitted of White Drive and Berma acquisitions ⁽¹⁾
 - Organic evolution almost as much strong as perimeter change

4Q2021 SALES EVOLUTION



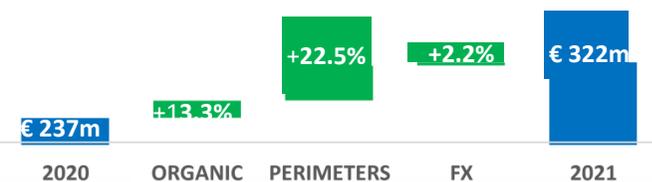
2021 SALES EVOLUTION



⁽¹⁾ White Drive consolidated for 4Q2021, Berma for November and December 2021

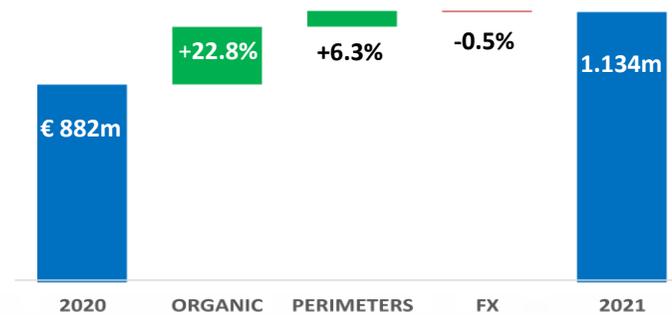
4Q2021 SALES EVOLUTION

+35.8%



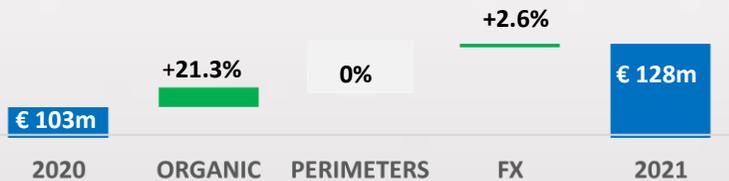
2021 SALES EVOLUTION

+28.6%



HYDRAULIC

+23.9%



WATER-JETTING

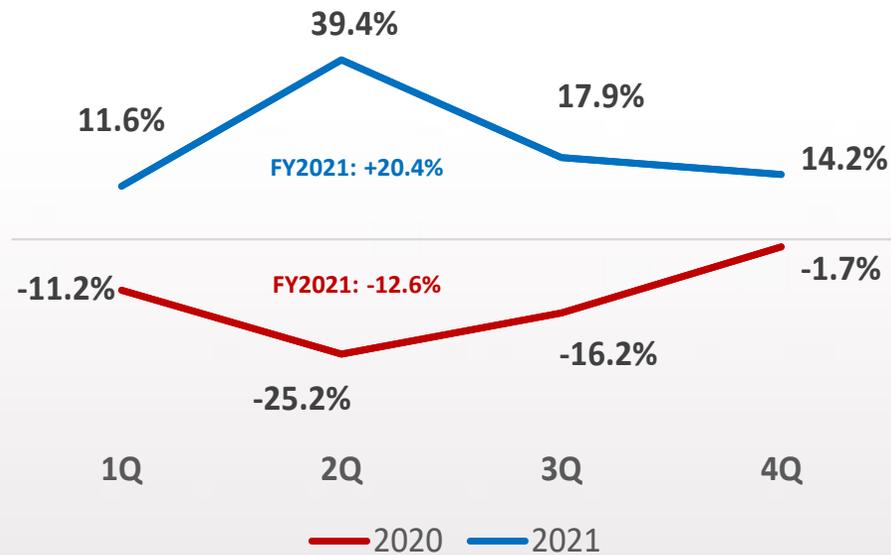
+13.9%



(1) White Drive consolidated for 4Q2021, Berma for November and December 2021

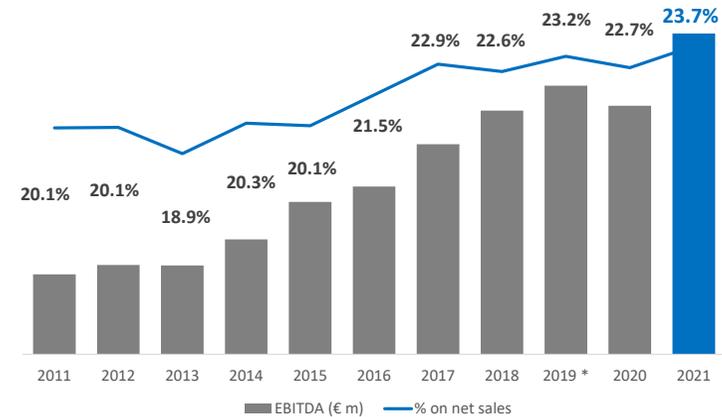
- Organic quarterly evolution influenced by comparison basis

GROUP 2020-2021 ORGANIC GROWTH EVOLUTION by QUARTER

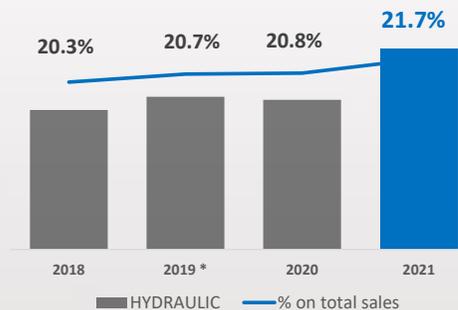


- EBITDA reached € 379.8m, 23.7% on net sales, Interpump historical record, up by 29.1% on total
 - 4Q profitability influenced more by acquisitions than inflationary trend
- Group ability to face external swings and to improve acquired Companies was confirmed
- Record performance of both divisions:
 - Hydraulic at its best driven by sales growth
 - Water Jet in line with historical record despite still soft demand from some important customers

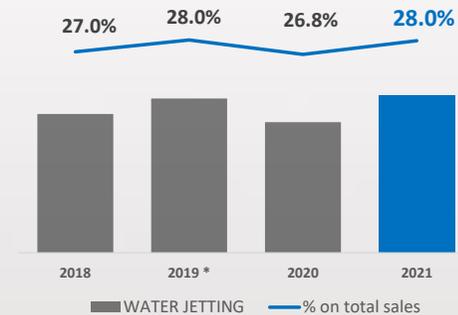
EBITDA 2011-2021 EVOLUTION ⁽¹⁻²⁾ (€ m - % on Net Sales)



HYDRAULIC EBITDA 2018-2021 EVOLUTION ⁽¹⁻²⁾ (€ m - % on Net Sales)

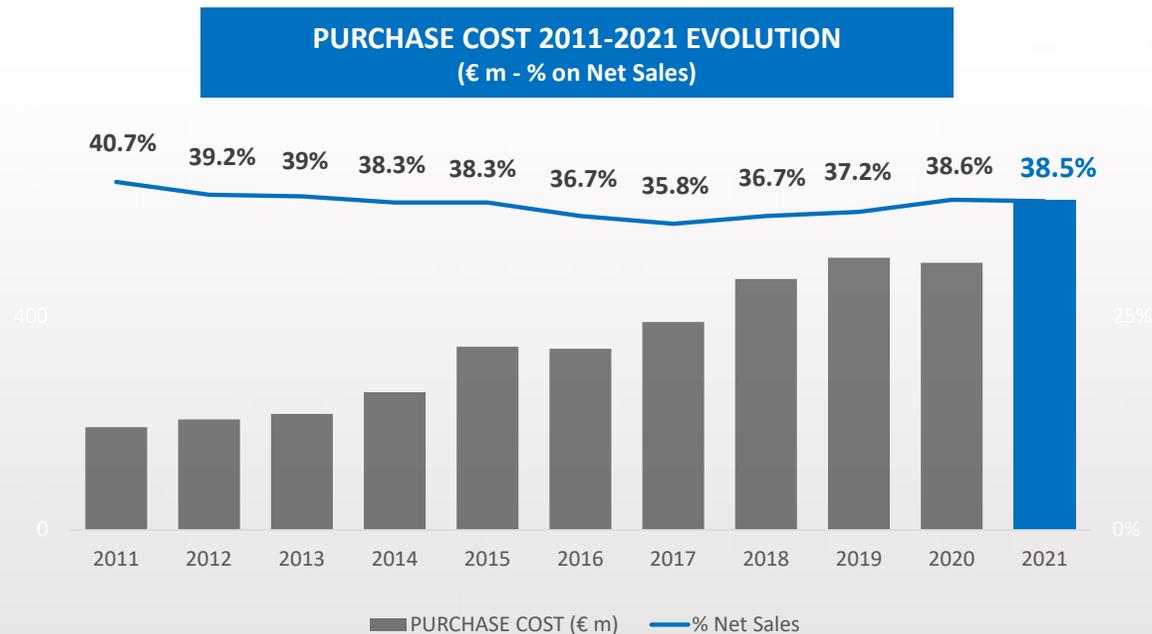


WATER JETTING EBITDA 2018-2021 EVOLUTION ⁽¹⁻²⁾ (€ m - % on Net Sales)



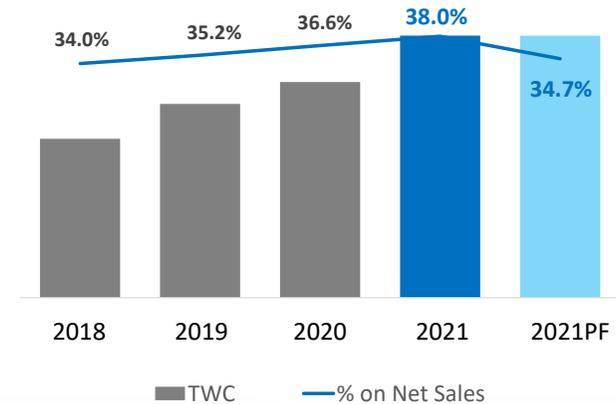
⁽¹⁾ 2019 data including IFRS16 adoption impact - ⁽²⁾ Division sales net of intercompany transactions

- After the 2019-2020 step up driven by power transmission acquisitions - different raw material mix, e.g. cast iron - purchase cost in 2021 remained in line despite strong inflationary trends arose in the year
- Capability to adjust final prices, focus on efficiency and protection given by inventory level were key drivers

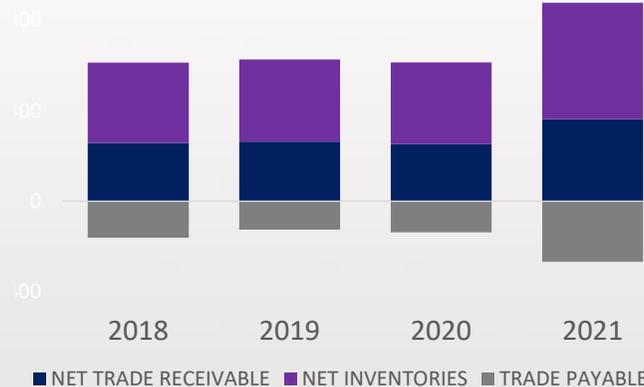


- Trade Working Capital has always been a fundamental competitive advantage, allowing Groups to respond promptly to customer needs
- In 2021 it became an important tool to protect and guarantee production continuity in a context of huge volatility of raw material availability and prices
 - Year end data influenced by 4Q perimeter changes

TRADE WORKING 2018-2021PF EVOLUTION ⁽¹⁻²⁾
(€ m - % on Net Sales)



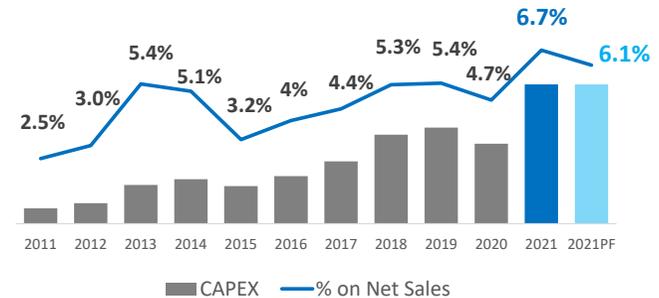
TRADE WORKING 2018-2021 DETAILS
(€ m)



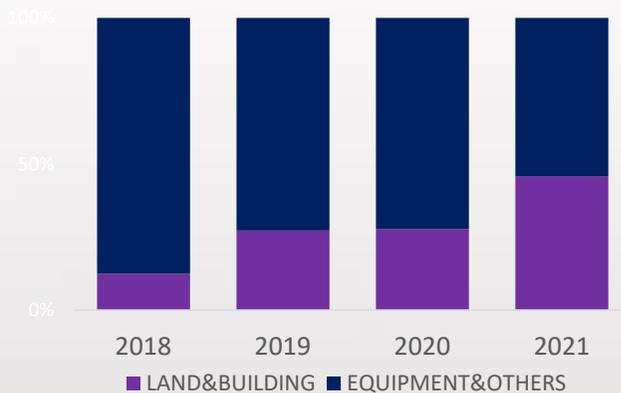
⁽¹⁾ 2021PF includes White Drive Motors & Steering for entire 2021 (around € 200m of sales) - ⁽²⁾ 2019 data included IFRS16 adoption impact

- CAPEX ⁽¹⁾ was € 106.6m, 6.7% on net sales, driven by strong market demand and focused on medium long term projects
- Almost half of resources were dedicated to capacity improvement through new and more efficient production spaces
 - e.g. new plant in US for the Water Jetting division with a geothermal water recycling system

CAPEX 2011-2021PF EVOLUTION ⁽¹⁻²⁻³⁾ (€ m - % on net sales)



2018-2021 CAPEX BREAKDOWN by CATEGORY (% on total CAPEX)



2018-2021 CAPEX BREAKDOWN by DIVISION (% on total CAPEX)

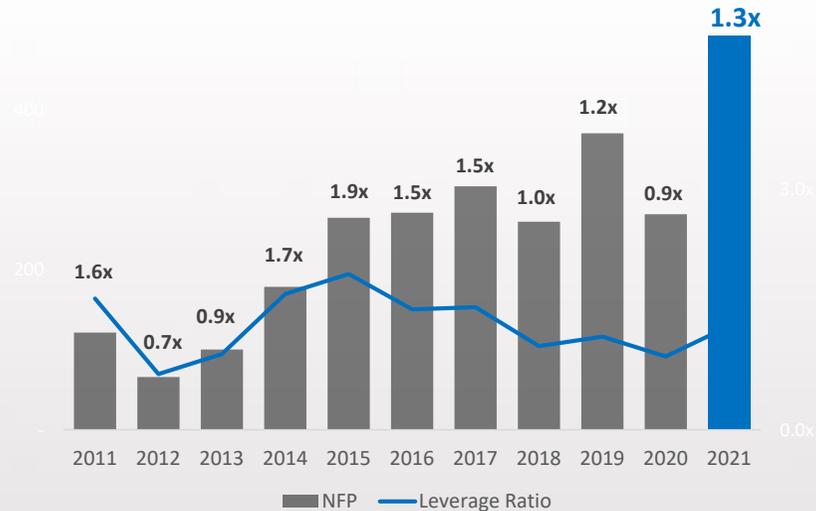


⁽¹⁾ Paid CAPEX (Investment in property, plant & equipment – Proceeds from the sales of property, plant & equipment + Investment in other intangible assets)

⁽²⁾ 2019 data included IFRS16 adoption impact - ⁽³⁾ 2021PF includes White Drive Motors & Steering for entire 2021 (around € 200m of sales)

- NFP was € 495m ⁽¹⁾ compared to the € 270m of 2020
 - Acquisitions outflow was increase main driver
- Leverage ratio well below both historical highest level and financial covenants

NFP & LEVERAGE RATIO 2011-2021 EVOLUTION ⁽¹⁻²⁾
(€ m)

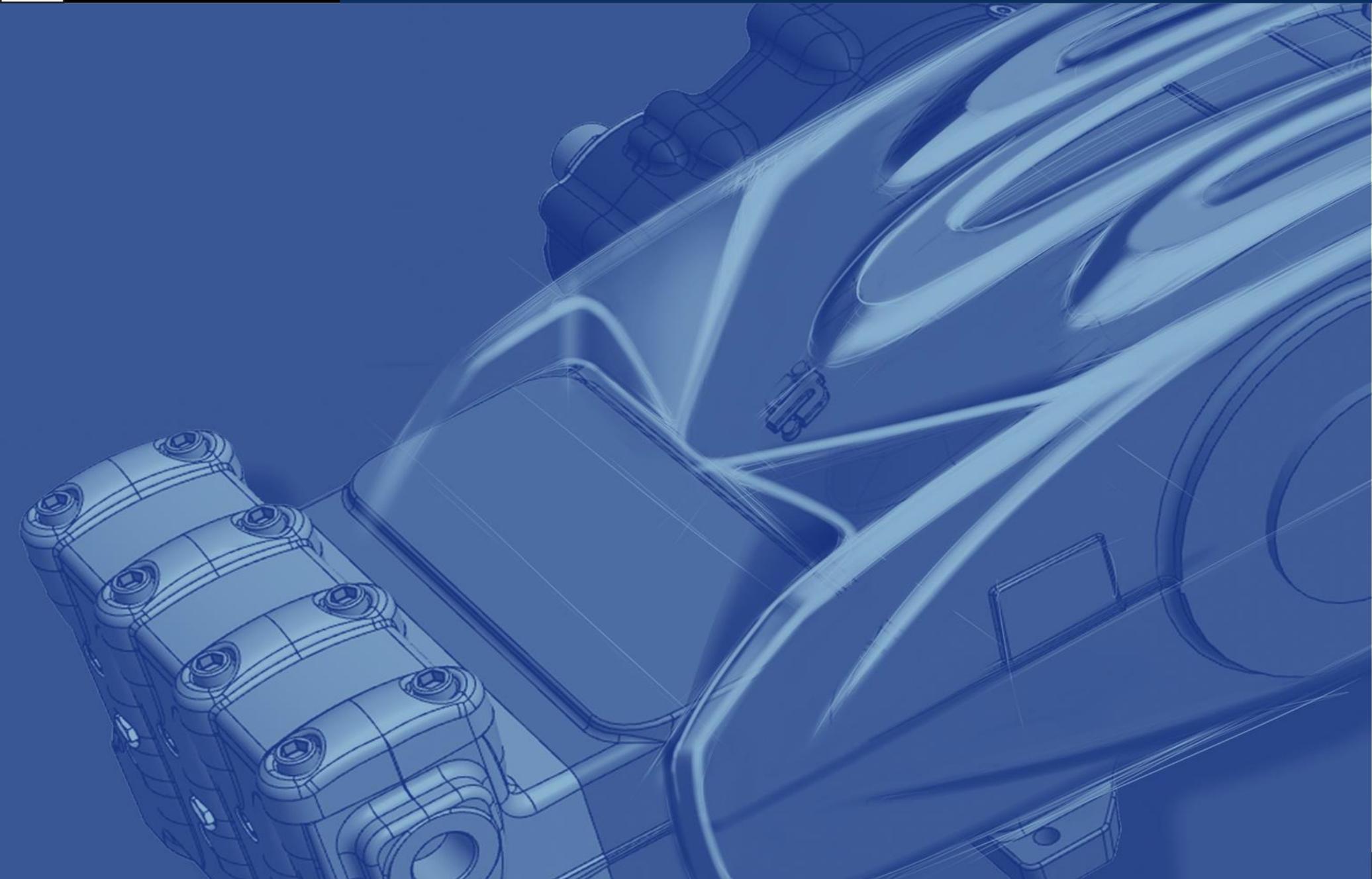


⁽¹⁾ Net of treasury stock (€ 80.3) and including commitment for investment purchase (€ 77.8m) - ⁽²⁾ 2019 data including IFRS16 adoption impact



2021

KEY EVENTS



INTERPUMP ACQUISITION PURPOSES

PRODUCT RANGE
EXPANSIONCOMPETITIVE POSITION
REINFORCEMENTDISTRIBUTION
ENHANCEMENT

- Most recent acquisitions – all in the Hydraulic division - perfectly fit Group M&A purposes in term of product range completion and competitive position reinforcement
 - DZ Trasmission and Berma allow strengthening in the power transmission business area
 - White Drive Motors & Steering enhances Interpump global role in hydraulics allowing orbital motors and steering system inclusion in Group product portfolio
- Transactions consistent with Interpump disciplined acquisition approach despite material differences in term of target features, integration processes will follow Group “soft” approach
 - DZ Trasmission and Berma, independent entities owned by entrepreneurs, ready to the “plug-in” in Group network
 - White Drive Motors & Steering, a carve-out of an international and large corporation characterised by a centralised approach

INTERPUMP INTEGRATION APPROACH

EXECUTIVE MANAGERS
CONFIRMEDBRANDS, SUPPLY CHAINS and SALES NETWORK
PRESERVEDPROCESSES and IT-SYSTEM
CONNECTED with GROUP ONES

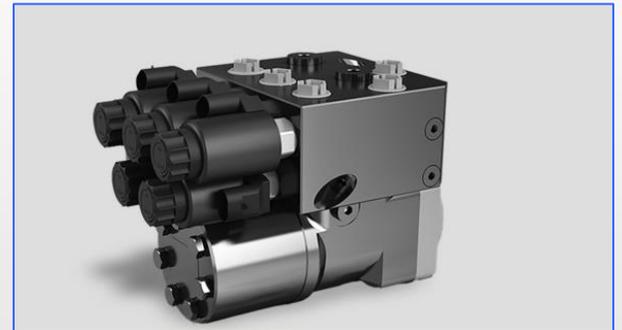
- After Reggiana Riduttori in 2019 and Transtecno in 2020, a consistent evolution in the power transmission business area
- **DZ Transmission**
 - Standard and special bevel gears manufacturer, focused on right-angle gear drivers up to 3,000 rpm and 15kW power
 - Industrial automation, logistic, agriculture and construction as application sectors
 - 2021: € 6m of sales, with a 25% EBITDA margin
- **Berma**
 - Specialised in reduction gears production for transportation belts and spreading devices for solid organic fertilizers distribution
 - Agriculture as application sector
 - 2021: around € 20m of sales, with an EBITDA margin close to 30%



- **White Drive Motors & Steering** is the most significant acquisition in Interpump history, fundamental step in Group growth and diversification path

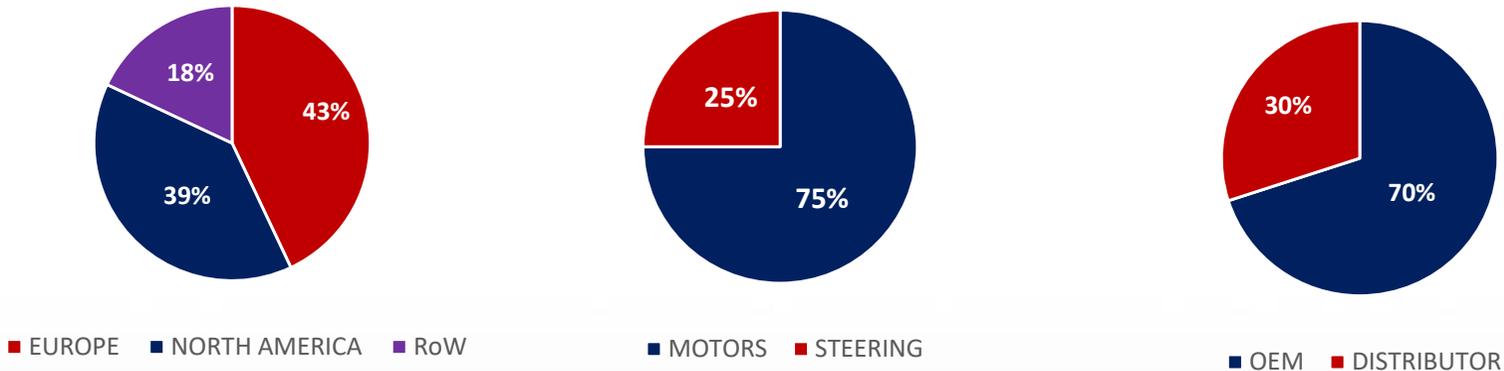
- Trough this acquisition
 - Hydraulic portfolio will be extended to orbital motors and steering system
 - Group will enhance its role in the hydraulic competitive arena

- 2nd global operator in the combined motors and steering market, with more than 50 years of experience
 - Construction, agriculture, turf care and forestry as application sectors
 - Activities include the entire industrial process, from design to sales
 - Around 1.000 employees
 - 3 factories, Hopkinsville in USA, Parchim in Germany and Wroclaw in Poland



- Approximately € 200m of sales in 2021, with an EBITDA margin of around 22.5%

WD 2021 SALES BREAKDOWN by PRODUCT, REGION and CHANNEL

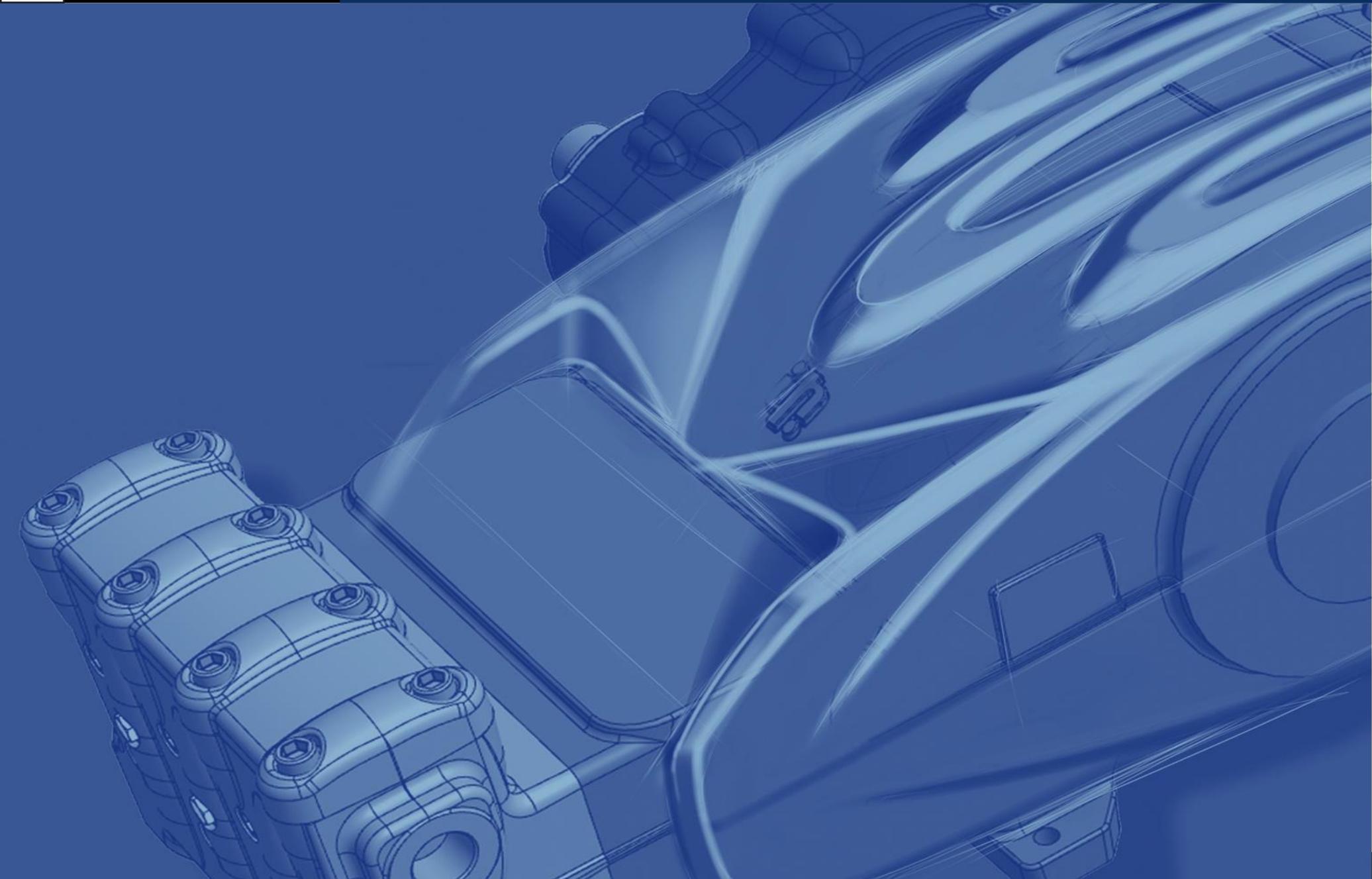


- Integration process immediately started, Group “soft” approach adapted to
 - Leverage on Company strengths, e.g. product quality and brand recognition
 - Take into account Company features and minimise activities disruption
- Important milestones already achieved
 - Carve out finalisation
 - IT-system separation
 - Organisation consolidation and finetuning



2021

SUSTAINABILITY PATH



“A falling tree makes more noise than a growing forest”

Lao Tzu

- Group historical growth is grounded on both an ongoing innovation path and the full integration with local environment and community

- Innovation path allows Group to
 - Follow and even anticipate client evolution needs with best-in-class products
 - Improve Interpump Operations efficiency

- Integration with local environment and community is key to
 - Benefit from “industrial district” strengths
 - Built and retain technical expertise

- Innovation activities allows Group to develop and offer products which let clients to improve their innovation and sustainability evolution process
 - E.g., the Adaptive Load Sensing (ALS)



- To ensure movement control, hydraulic pumps generate a pressure constantly higher than the required one ('Stand by Margin') and this causes energy dissipation
- ALS is a system with an electro-hydraulic device fitted to the directional control valve which allows to dynamically modulate the Stand-by Margin and therefore to minimise energy consumption
- Results: lower energy loss (-28% in boom operations and -45% in travelling phases), consequently a global energy saving between 5-6%
- ALS system use on each machine is equivalent to a Co2/year 1315kg reduction (= annual 50-60 trees planting)

ALS
ADAPTIVE LOAD SENSING

Adaptive Load Sensing
Adaptive Electro-hydraulic System for Energy Saving on Telehandlers



- Group capability to support client evolution and improvement process is attested by many “Green” and “Innovation” recognition awarded by clients



- Kubota Corporation is a Japanese conglomerate producing agricultural and industrial machines, industrial systems and installations and environmental engineering
- Group gained this recognition thanks to several projects aimed to improve the sustainability approach of activities and locations



- JCB is a machinery production U.K. Group focused on construction and agricultural sectors
- In the “New Product Introduction Programme” category, Group won the award for the quickest and most comprehensive development of new products and subsequent rapid production ramp-up



- SANY Ltd. is a Chinese Group representing one of the largest manufacturer in the construction and mining equipment and port and oil drilling machinery sectors
- Group was defined “Excellent Supplier” for the contribution given to SANY growth and for closeness and support to the Group supply chain



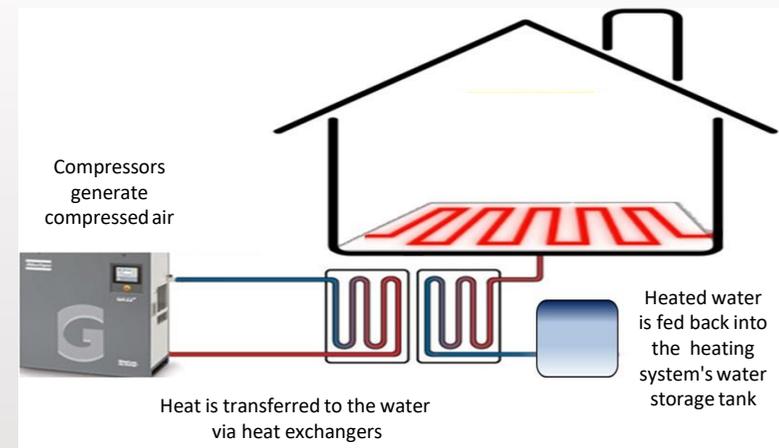
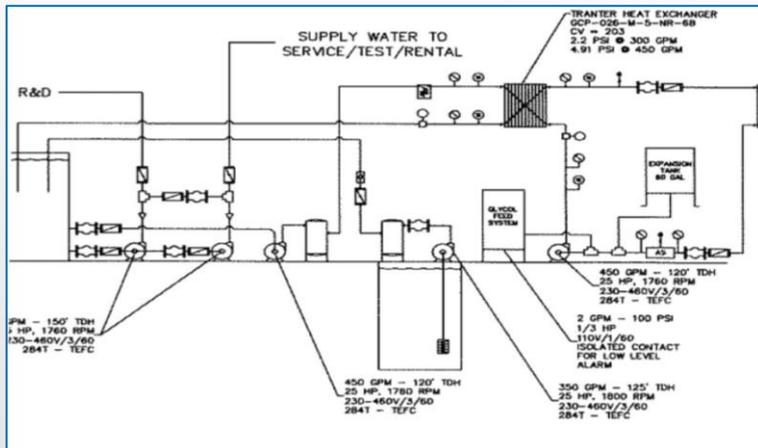
- For Interpump innovation is a driver to improve Operation through a virtual circle which involve processes, equipment and plant
 - E.g. for the Water Jetting division, a geothermal water recycling system for the new plant in US and heat recovery system in a German plant



- Before the construction of the new plant, water needed to test Group equipment (1 19m per year) was supplied by a water well and after the use it was sent to a wastewater treatment
- A geothermal pond loop was installed
- This allows to reduce energy used to treat wastewater, Co2 footprint and additional need of support water treatment infrastructure



- Group installed a system to recover heat from factory compressors and test benches
- Heating water from product testing is fed into the heating system and used to heat large part of the manufacturing facility and headquarter offices
- Group achieved a 50-60% energy savings for heating, production/consumption energy optimization and cost reduction



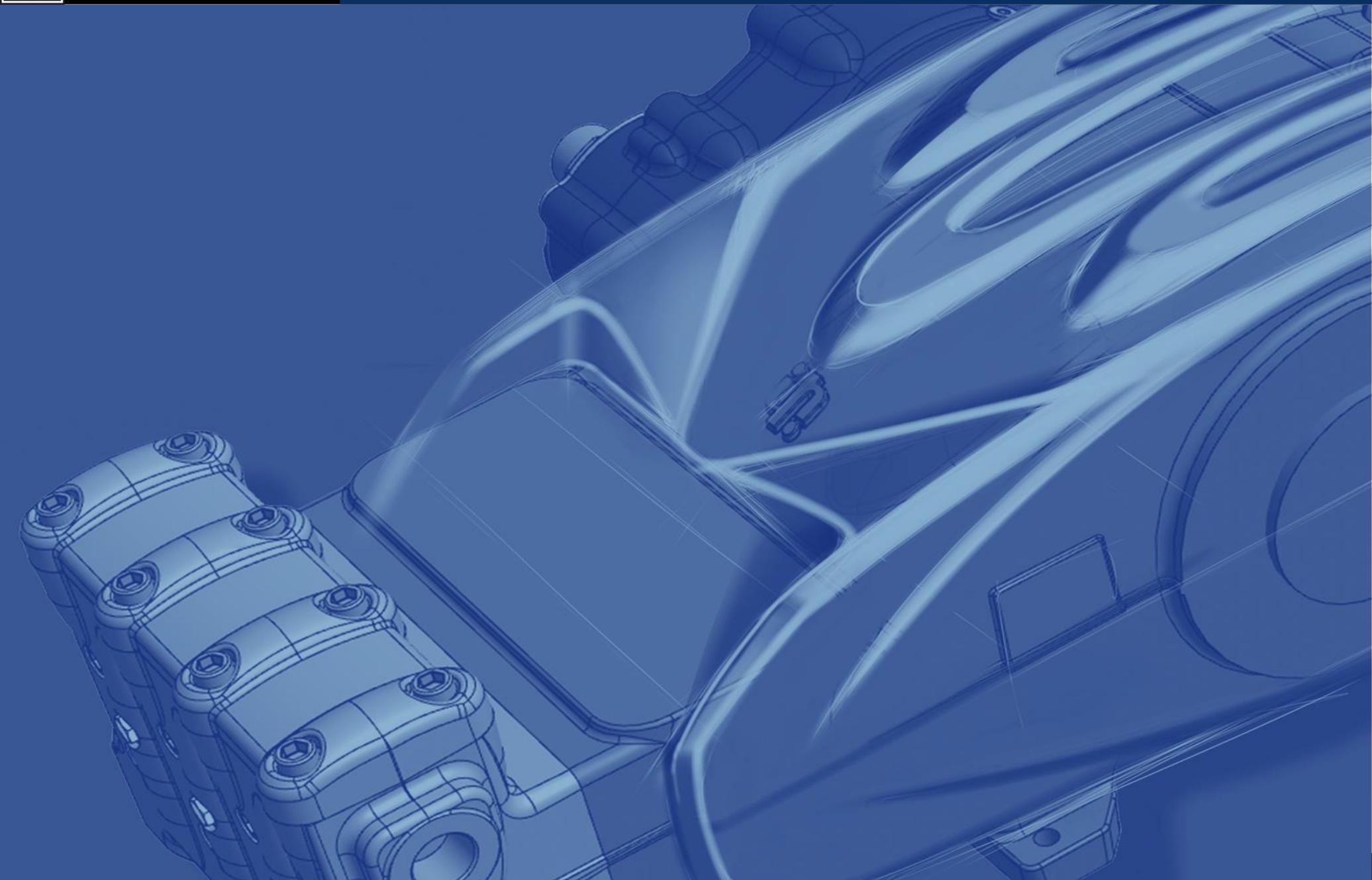
- Confindustria award for “Quality of School-Job alternation experience”





2022

OUTLOOK

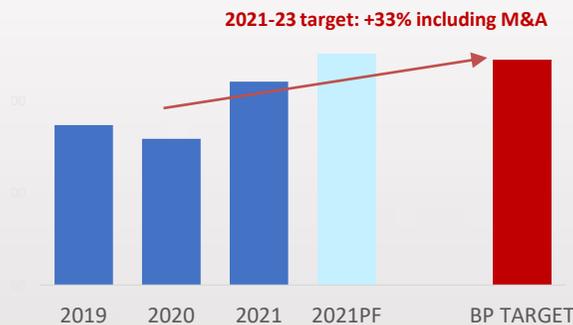


- Interpump 2021 Results are above 2021-2023 Targets trajectory
 - in term of profitability, Group gained a material advantage, having successfully managed pandemic outbreak and long lasting impacts and uncertainties

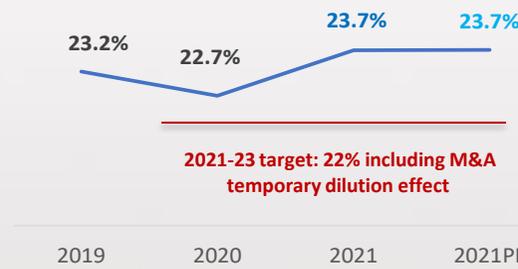
- Group 2022 goal is to pursue this path, consolidating and protecting such material advantage

- Business model flexibility and resilience and top management resolution will be the base to face
 - Client demand erratic evolution
 - Inflationary trends
 - Impacts of pandemic infections

SALES EVOLUTION ⁽¹⁾ (€ m)



EBITDA MARGIN EVOLUTION ⁽¹⁻²⁾ (€ m - % on net sales)



LEVERAGE RATIO EVOLUTION ⁽¹⁻²⁾

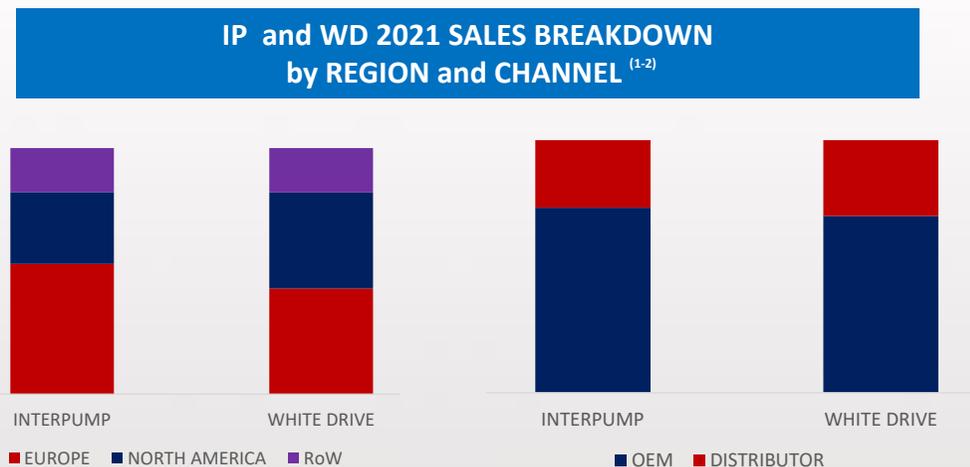


⁽¹⁾ 2021PF includes White Drive Motors & Steering for entire 2021 (around € 200m of sales and € 45m of EBITDA)

⁽²⁾ 2019 data included IFRS16 adoption impact

- In details, Interpump will focus on
 - Operations
 - Pricing policy, both on purchase and selling side
 - Production capacity enhancement
 - White Drive integration
 - M&A activities
 - Consolidation and alignment of Group sustainability activities and processes

- White Drive integration next steps
 - Ex-Eaton production lines transfer and start of production capacity increase
 - Best practices sharing (e.g. planning and sales&customer experience)
 - Exploiting of cross selling opportunities to achieve commercial synergies

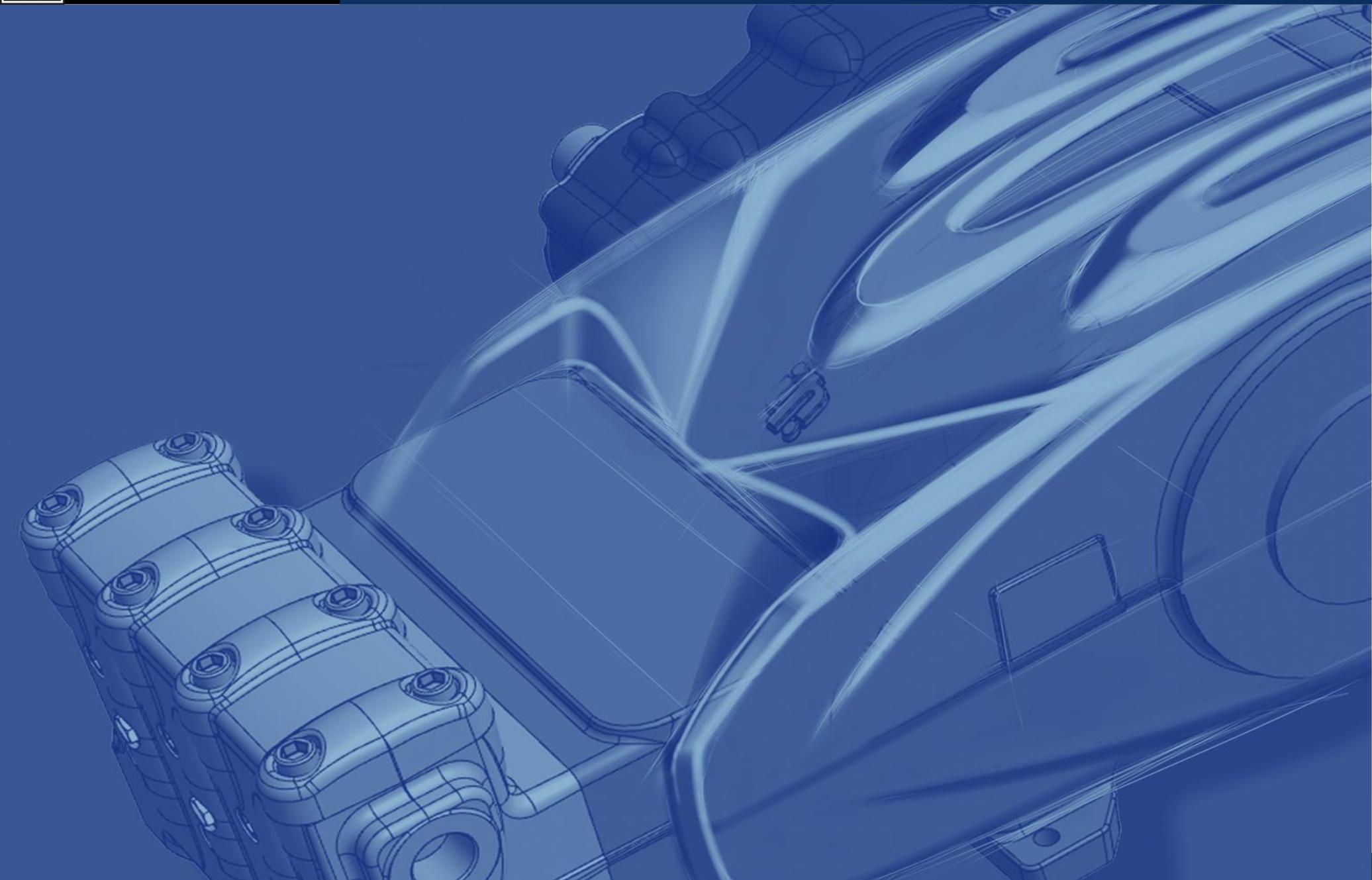


⁽¹⁾ For comparison purpose, Group sales generate in South America (around 3% of 2021 consolidated sales) are included in “North America”

⁽²⁾ For comparison purpose, Group sales generated through “contractors” and residual channels (around 10% of 2021 consolidated sales) are included in “OEM”



APPENDIX



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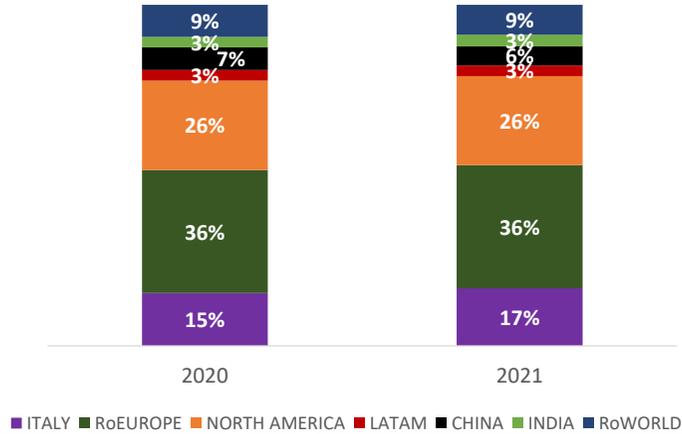
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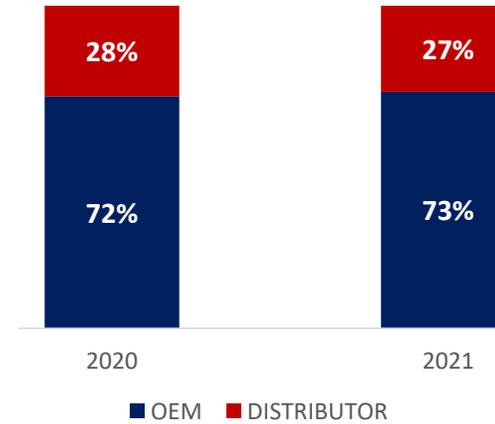
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2021 SALES BREAKDOWN by GEOGRAPHY



2021 SALES BREAKDOWN by CHANNEL ⁽¹⁾



⁽¹⁾ Group sales generated through “contractors” and residual channels (around 10% of 2021 consolidated sales) are included in “OEM”

The Manager in charge of preparing the company's financial reports declares - pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance - that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

S. Ilario d'Enza, 14 February 2021

Carlo Banci

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