

November 2018

Interpump Group 2018 Third Quarter and 9M Results





Disclaimer

This document has been prepared by Interpump Group S.p.A for use during meetings with investors and financial analysts and is solely for information purposes. The information set out herein has not been verified by an independent audit company.

Neither the Company nor any of its subsidiaries, affiliates, branches, representative offices (the "Group"), as well as any of their directors, officers, employees, advisers or agents (the "Group Representatives") accepts any responsibility for/or makes any representation or warranty, express or implied, as to the accuracy, timeliness or completeness of the information set out herein or any other related information regarding the Group, whether written, oral or in visual or electronic form, transmitted or made available.

This document may contain forward-looking statements about the Company and/or the Group based on current expectations and opinions developed by the Company, as well as based on current plans, estimates, projections and projects of the Group. These forward-looking statements are subject to significant risks and uncertainties (many of which are outside the control of the Company and/or the Group) which could cause a material difference between forward-looking information and actual future results.

The information set out in this document is provided as of the date indicated herein. Except as required by applicable laws and regulations, the Company assumes no obligation to provide updates of any of the aforesaid forward-looking statements.

Under no circumstances shall the Group and/or any of the Group Representatives be held liable (for negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise in connection with the document or the aforesaid forward-looking statements. This document does not constitute an offer to sell or a solicitation to buy or subscribe to Company shares and neither this entire document or a portion of it may constitute a recommendation to effect any transaction or to conclude any legal act of any kind whatsoever.

This document may not be reproduced or distributed, in whole or in part, by any person other than the Company. By viewing and/or accepting a copy of this document, you agree to be bound by the foregoing limitations.



Table of Contents

Welcome! Our Q3/9M 2018 & FY 2017 Results are on page	3
New to the company and could use an Introduction? See Who we are on page.....	9
Our yearly update on Markets and Diversification is on page	17
More information on Growth Strategy and Recent M&A on page.....	22
You will find Shareholder Information on page.....	27
Some useful time series are included in the Appendix on page.....	29

€ mn

	Q3 2017	Q3 2018	y/y
Organic growth in sales			+13.8%
FX contribution			-0.7%
Increase in perimeter			+6.2%
TOTAL REPORTED SALES	259.9	310.1	+19.3%
EBITDA	61.1	73.0	+19.3%
EBITDA / SALES	23.5%	23.5%	
NET INCOME (as reported)	32.9	43.0	+30.8%
<i>Tax rate</i>	<i>30.8%</i>	<i>27.2%</i>	
NET INCOME (adjusted*)		42.7	+30.0%
<i>Tax rate</i>		<i>27.3%</i>	
<i>* Q318 Statutory net income includes a €0.3 million adjustment in the negative goodwill of GS-Hydro acquisition</i>			
NET DEBT	287.9	276.9	- 11.0 mn
COMMITMENTS FOR PURCHASE OF SUBSIDIARIES	51.8	43.1	- 8.7 mn
TREASURY SHARES (as at 30/09)	1,651,752	2,728,489	

€ mn

	9M 2017	9M 2018	y/y
Organic growth in sales			+13.1%
FX contribution			-3.5%
Increase in perimeter			+6.9%
TOTAL REPORTED SALES	818.7	953.6	+16.5%
EBITDA	191.9	219.8	+14.5%
EBITDA / SALES	23.4%	23.0%	
NET INCOME (as reported)	99.1	137.3	+38.5%
<i>Tax rate</i>	33.1%	27.4%	
NET INCOME (adjusted*)		125.4	+26.5%
<i>Tax rate</i>		29.2%	
* 9M18 Statutory net income includes a €11.9mn one-off resulting from negative goodwill in the acquisition of GS-Hydro			
NET DEBT	287.9	276.9	- 11.0 mn
COMMITMENTS FOR PURCHASE OF SUBSIDIARIES	51.8	43.1	- 8.7 mn
TREASURY SHARES (as at 30/09)	1,651,752	2,728,489	

€ mn

WATER-JETTING	Q3 2018	y/y	9M 2018	y/y
Organic growth in sales		+13.1%		+9.6%
FX contribution		-		-3.9%
Increase in perimeter		+0.2%		+2.8%
TOTAL REPORTED SALES	108.0	+13.3%	323.5	+8.5%
EBITDA	31.5	+25.8%	89.9	+13.2%
EBITDA / SALES	29.0%		27.7%	
HYDRAULICS	Q3 2018	y/y	9M 2018	y/y
Organic growth in sales		+14.1%		+15.2%
FX contribution		-0.9%		-3.3%
Increase in perimeter		+9.6%		+9.2%
TOTAL REPORTED SALES	202.1	+22.8%	630.1	+21.1%
EBITDA	41.4	+14.8%	129.9	+15.5%
EBITDA / SALES	20.5%		20.6%	



€ mn

	FY 2016	FY 2017	y/y
Organic growth in sales			+9.3%
FX contribution			-0.7%
Increase in perimeter			+9.1%
TOTAL REPORTED SALES	922.8	1,086.5	+17.7%
EBITDA	198.5	248.6	+25.3%
EBITDA / SALES	21.5%	22.9%	
NET INCOME (as reported)	94.5	135.7	+43.7%
<i>Tax rate</i>	<i>36.4%</i>	<i>29.4%</i>	
NET INCOME (adjusted*)		129.8	+37.4%
<i>Tax rate</i>		<i>32.4%</i>	
<i>* 2017 Statutory net income includes €5.7mn one-off positive effect of reassessment of U.S. deferred tax assets & liabilities</i>			
NET DEBT	257.3	273.5	+16.3 mn
COMMITMENTS FOR PURCHASE OF SUBSIDIARIES	42.8	46.8	+4.0 mn
TREASURY SHARES (as at 31/12)	2,281,752	1,561,752	



Sales & EBITDA Trend

€ mn - net of Cleaning (dismissed in 2005) and Electric Motors (2011)

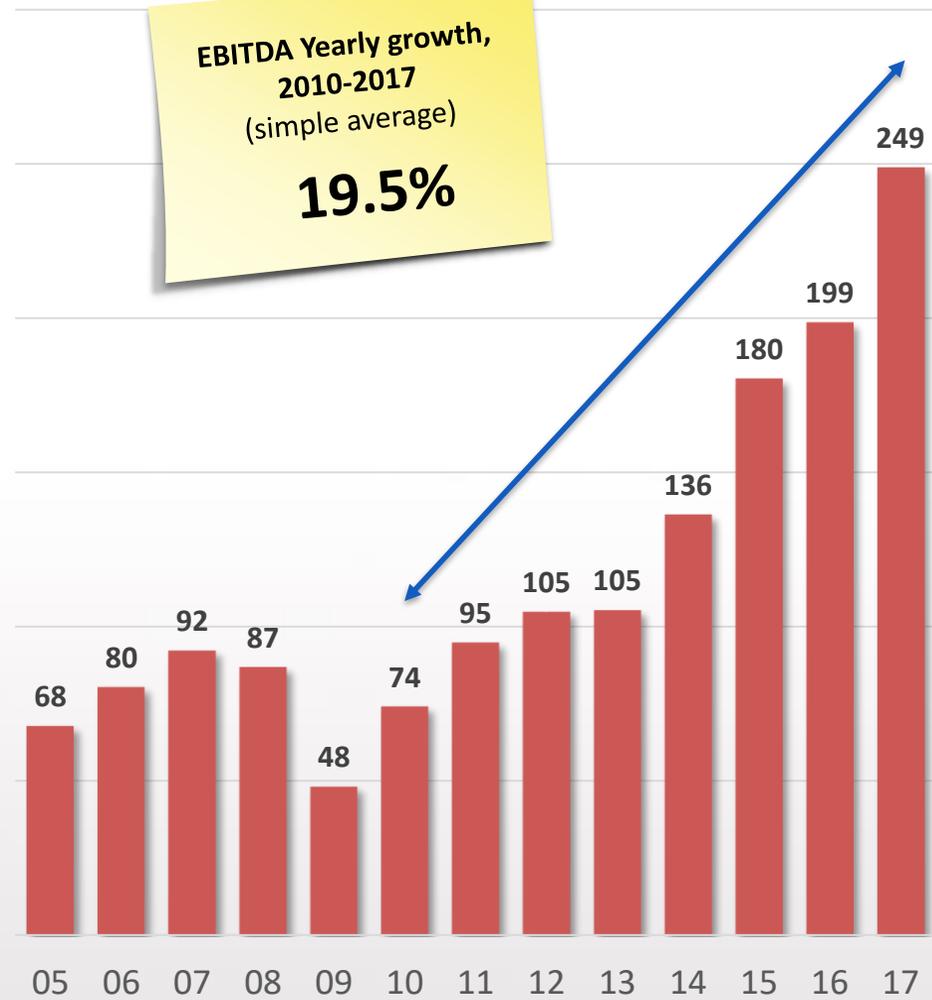
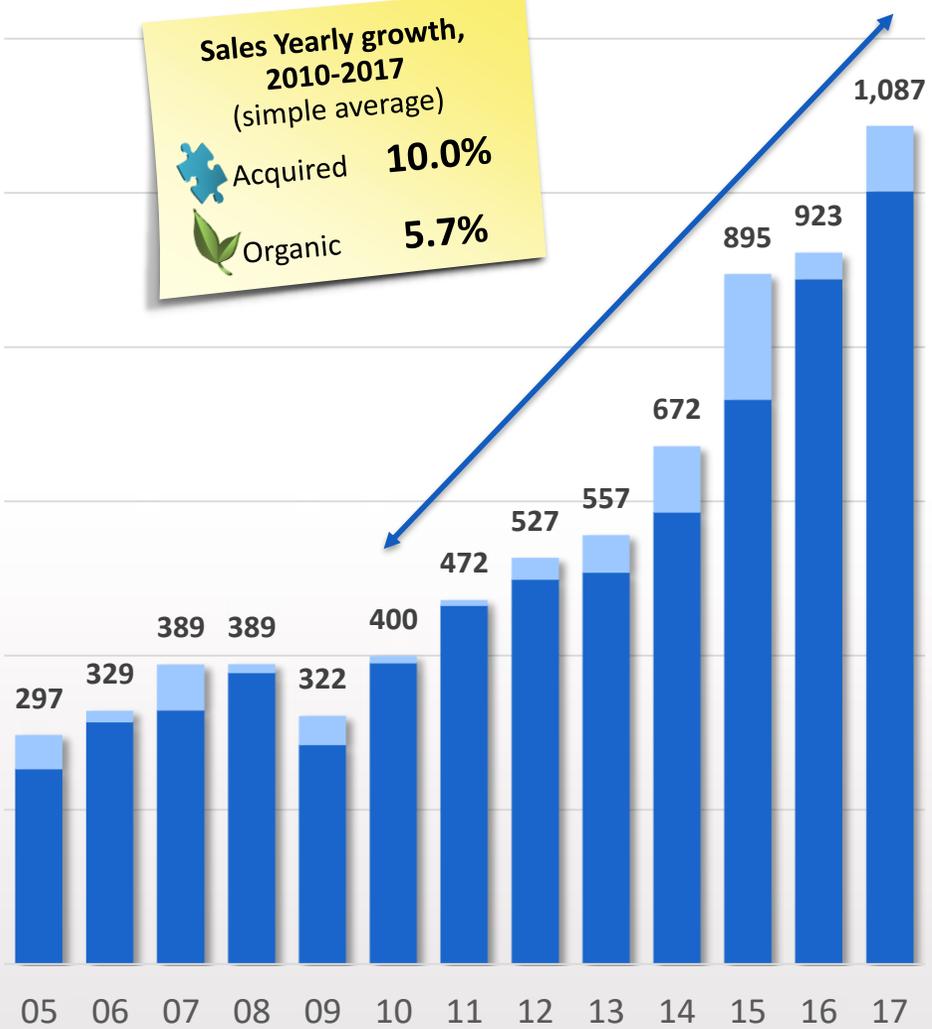
Sales Yearly growth, 2010-2017
(simple average)

Acquired **10.0%**

Organic **5.7%**

EBITDA Yearly growth, 2010-2017
(simple average)

19.5%



First 12 months' turnover of acquired companies
 Organic business

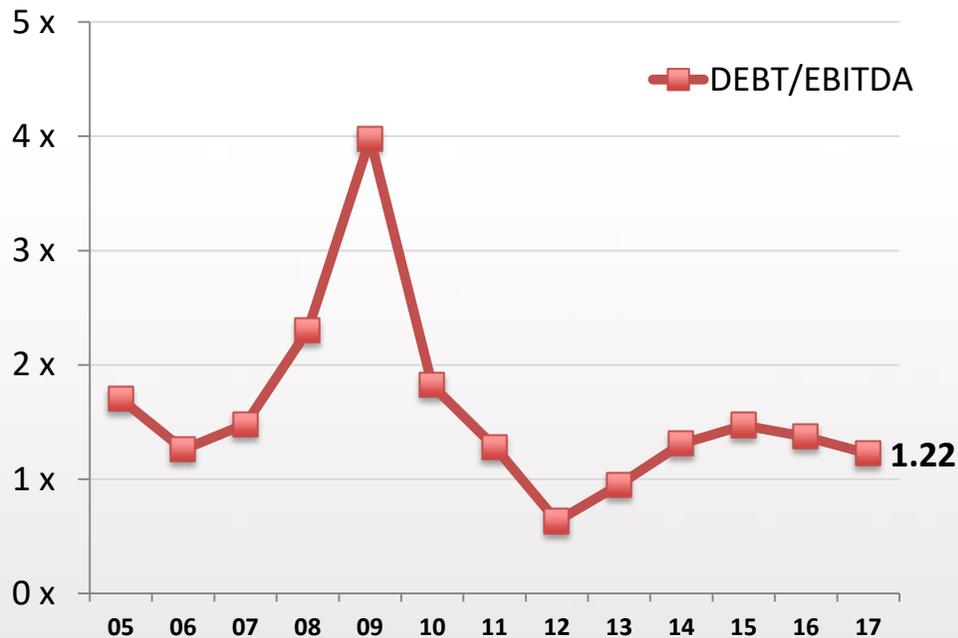
Sales & EBITDA net of Cleaning (dismissed in 2005) and Electric Motors (2011) for consistency with current business



Prudent debt policy and satisfactory return on capital employed

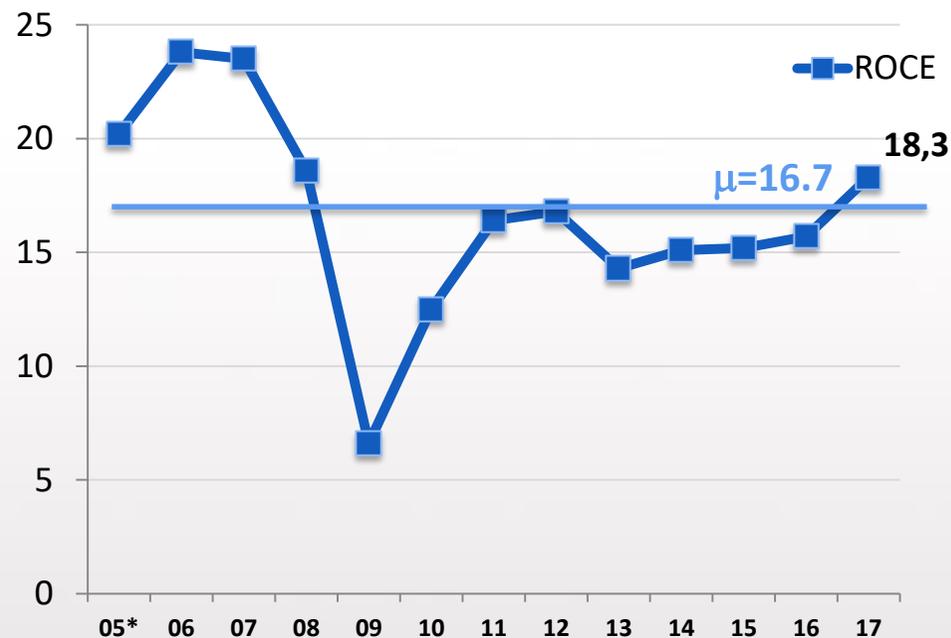
Net Debt / EBITDA (12 M)

Net of treasury stock and including commitments for purchase of investments



Return On Capital Employed (12M)

Operating profit / (consolidated shareholder's equity + net debt)



*without the Cleaning Sector

INTERPUMP GROUP

- ▶ Public company (~75% free float)
- ▶ Listed at the Milan Stock Exchange since 1996 (ticker: IP.MI)
- ▶ Among the largest market caps in the STAR segment
- ▶ Stock is eligible for PIRs (government-sponsored saving investment plans for Italian households with significant tax advantages)

WATER-JETTING

- ▶ World leader in the niche market of high-pressure plunger piston pumps for water and other fluids. Premium-price, reputable brands
- ▶ Growing range of applications:
 - Industrial Cleaning
 - Chemical, Food, Pharma, Cosmetic processing
 - Automotive, Marine, Oil&Gas, Tunneling, Mining, Steel Industry
- ▶ Not only piston pumps: entered the wider universe of fluid handling with the acquisition of Inoxpa and Mariotti&Pecini (2017)

HYDRAULICS

- ▶ Global supplier of hydraulic parts and complete systems
- ▶ Co-design and direct sales to all major OEMs, plus an extensive network of distributors
- ▶ Main applications are Trucks, Industrial Vehicles, Earth-moving, Agriculture, Construction, Lifting, Machine tools, Tunneling



Diversified across every dimension

Diversification of our business is the key to our resilience and low overall cyclicity

Both divisions have moved from the initial 100% concentration in one sector to a **wide range of applications across different industries**

Hydraulics: ongoing enlargement of product range through acquisitions.
Water-Jetting: expansion from the historical niche of high-pressure pumps into the wider world of fluid handling.

Our **20 largest customers** amount for about **10% of consolidated sales**.
No single customer above 1%.



We sell our products **all over the world**, either through our increasing direct presence, or through distributors.

Most goods sold are produced locally or at least in the **same currency**. Our FX impact is mostly relative to the translation of financial statements. **No currency hedging** is necessary.

Stainless steel, aluminum, brass, cast iron, copper, and countless other alloys. **Smart, forward-looking buying policy** keeps us safe from price volatility.

All classes of customers are serviced directly, through a local subsidiary, or through a distributor according to their size and importance: **from the world's largest OEMs to small retail customers**.

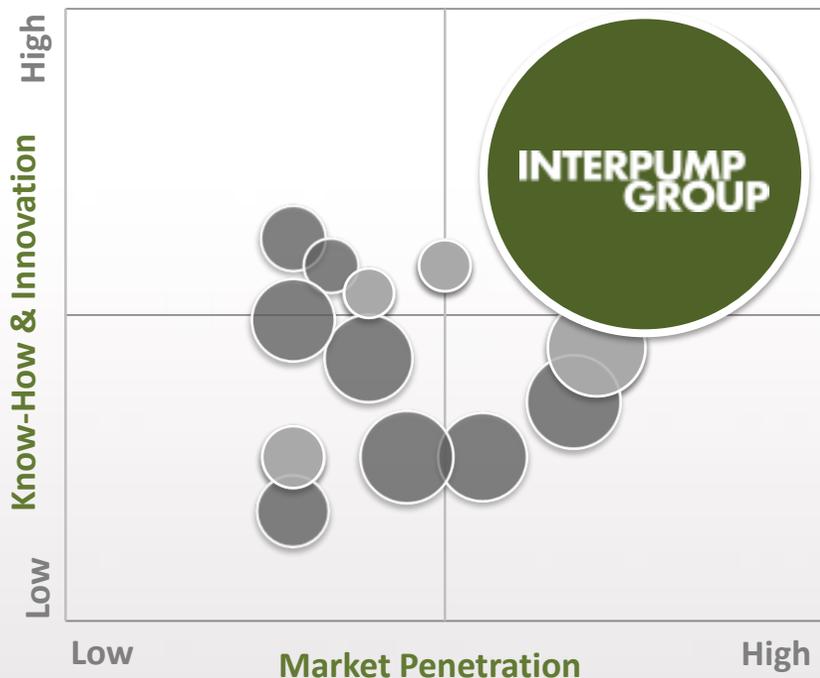


HAMMELMANN



Niche of Very High Pressure Plunger Pumps
(estimated market size: <1bn/yr)

Flow Handling
Food, Cosmetics & Pharma
(estimated market size: € 8 bn/yr)



New applications for high-pressure technology appearing continuously in every sector

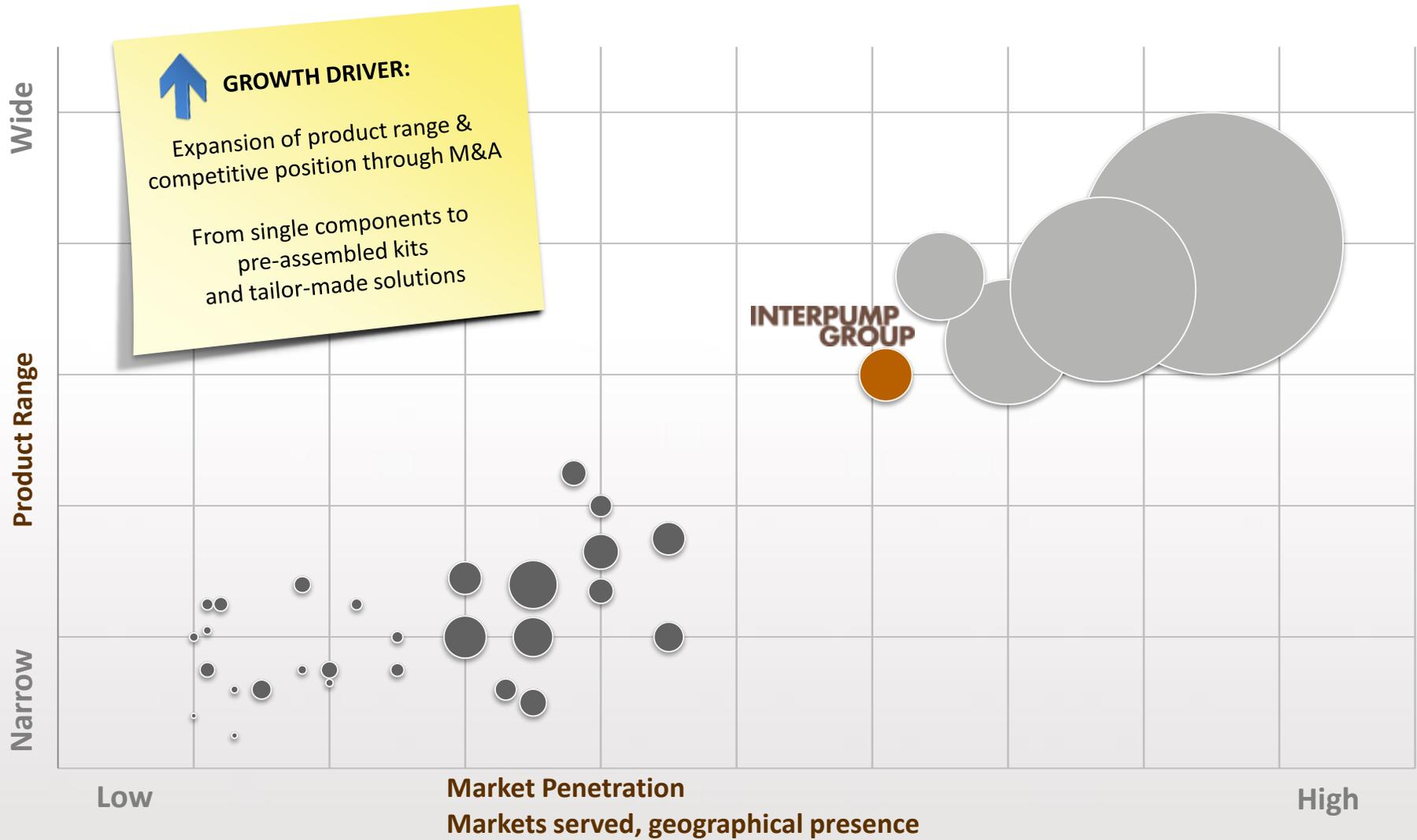


Expansion of product range & competitive position through M&A



Competitive Scenario

A fast-growing global player in a huge market (est. € 40 bn/yr)
with countless opportunities for acquisitions





September 2018 – Total employees: 1,774

High-pressure Plunger Pumps

Flow Handling Components



- ▶ Plunger pumps high flow/ high pressure (1~450 HP)

- ▶ Production and rental of high-pressure pumps and complete systems

- ▶ Specialized solutions for steel and mining industry

- ▶ High-pressure pumps (up to 1,500 HP - 4,500 bar/65K PSI)
- ▶ Design and supply of turnkey solutions

- ▶ Homogenizers for food, cosmetics, and pharmaceutical industry

- ▶ Pumps, mixers, components & systems for food, cosmetics and pharma

- ▶ Mixers and agitators (Magna-Safe® magnetic transmission)



**INTERPUMP
Pratisoli**

NLB

Inoxihp (53%)

Hammelmann

Bertoli

Inoxpa

Mariotti & Pecini



▶ U.S. Distributor

General Pump



International presence (plants and subsidiaries)

Italy, USA, China

USA, Poland

Italy

Germany, USA,
Australia, China, Spain

Italy

Spain, India, Portugal,
Italy, UK, USA, France,
Denmark, Sweden,
Russia, China, UAE,
Ukraine, Moldova,
South Africa, Australia,
Colombia

Italy



September 2018 – Total employees: 4,710

▶ Power Take-Offs



**INTERPUMP HYDRAULICS,
Muncie Power Products,
PZB, Hydrocar, Takarada**

▶ Cylinders



**Panni Oleodinamica
Contarini
Penta, Modenflex**

▶ Oil Tanks



American Mobile Power

▶ Distributor for Oceania



Mega Pacific (65%)

▶ Valves

▶ Directional Control Valves



**WALVOIL
Hydrocontrol
Galtech
M.T.C.**

▶ Rubber hoses

**I.M.M.
Hypress
Interpump Hose**



▶ Metallic flexible hoses

Tubiflex (80%)



▶ Rigid pipes & piping systems

**GS-Hydro
Tekno Tubi**



▶ Hose assembly machines

Endeavour



▶ 24/7 service & repairs

Bristol Hose



International presence (plants and subsidiaries)

Italy, USA, UK, France, Bulgaria,
Brazil, Chile, Peru,
China, India, Australia, New Zealand,
South Africa, UAE

Italy, USA, Canada, France,
India, China, Korea, Australia

Italy, France, Germany, Romania,
UK, South Africa, Sweden, Denmark,
Austria, Poland, Spain, Netherlands, USA,
China, Korea, Singapore, Brazil



FOOD, COSMETICS, PHARMACEUTICAL

Pumps, valves, processing and cleaning systems
Agitators (including magnetic transmission)
High-pressure homogenizers
Water-jet food cutting, slicing, meat separation



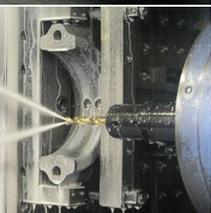
CONSTRUCTION

Hydro-demolition
Surface preparation
Renewal of armored concrete infrastructures



TRUCKS

Lightweight high pressure pumps for sewer trucks
Other utility vehicles



INDUSTRY

Machine drilling & cutting
Pulp & paper
Intertwining of fibers in non-woven textiles production
Overspray removal from painting booth grids



STEEL / ALUMINUM

Descaling of steel bars
Cleaning of tanks & vessels used in aluminum processing



CLEANING

Mid- to high-power professional & industrial cleaning
Car washing systems
Airport tarmacs
Fish-farming nets



AUTOMOTIVE

Deburring of common-rail engine heads
Cutting of bodywork and other materials
Cleanup of welded seals



MARINE / SHIPYARDS

Water-blasting paint removal
Hull cleaning
Fuel pumps for methanol-converted marine engines



WATER PROCESSING

Misting
Reverse-osmosis desalination



CONTRACTORS

Service companies who buy or rent general-purpose high-pressure systems and offer various industrial cleaning and maintenance services to third parties across different industries (typical of the U.S. market)



OIL & GAS

Injection of anti-icing and pressure-restoring fluids in wells
Underwater high-pressure pumping
Emergency valve operation (seal-less pumps)
Decommissioning of platforms at end of life

~1/3 of revenues in Water-Jetting come from after-sales (maintenance, parts & service)



EARTH-MOVING

Excavators and mini-excavators
Backhoe loaders
Skid-steer loaders



TRUCK OUTFITTERS

Tipping trucks
Trash collection - Sewer cleaning
Firefighting - Snow plowing
Towing - Car Carriers
Crane trucks



TRUCK MANUFACTURERS

Factory-fitted PTOs



AGRICULTURE

Farm tractors
Front loaders
Harvesting machines



CONSTRUCTION

Concrete mixing
Telescopic handlers
Conditioning/refrigeration/ventilation



INDUSTRIAL

Machine tools
Hydraulic power packs



LIFTING

Mobile and fixed cranes
Elevators
Forklifts
Theme park attractions

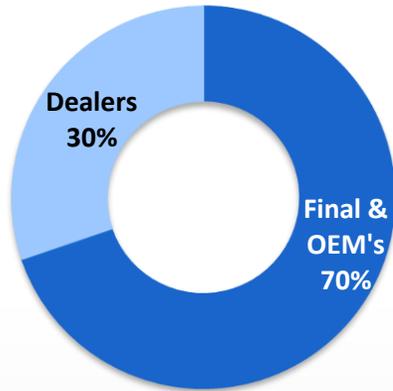


DRILLING / TUNNELING

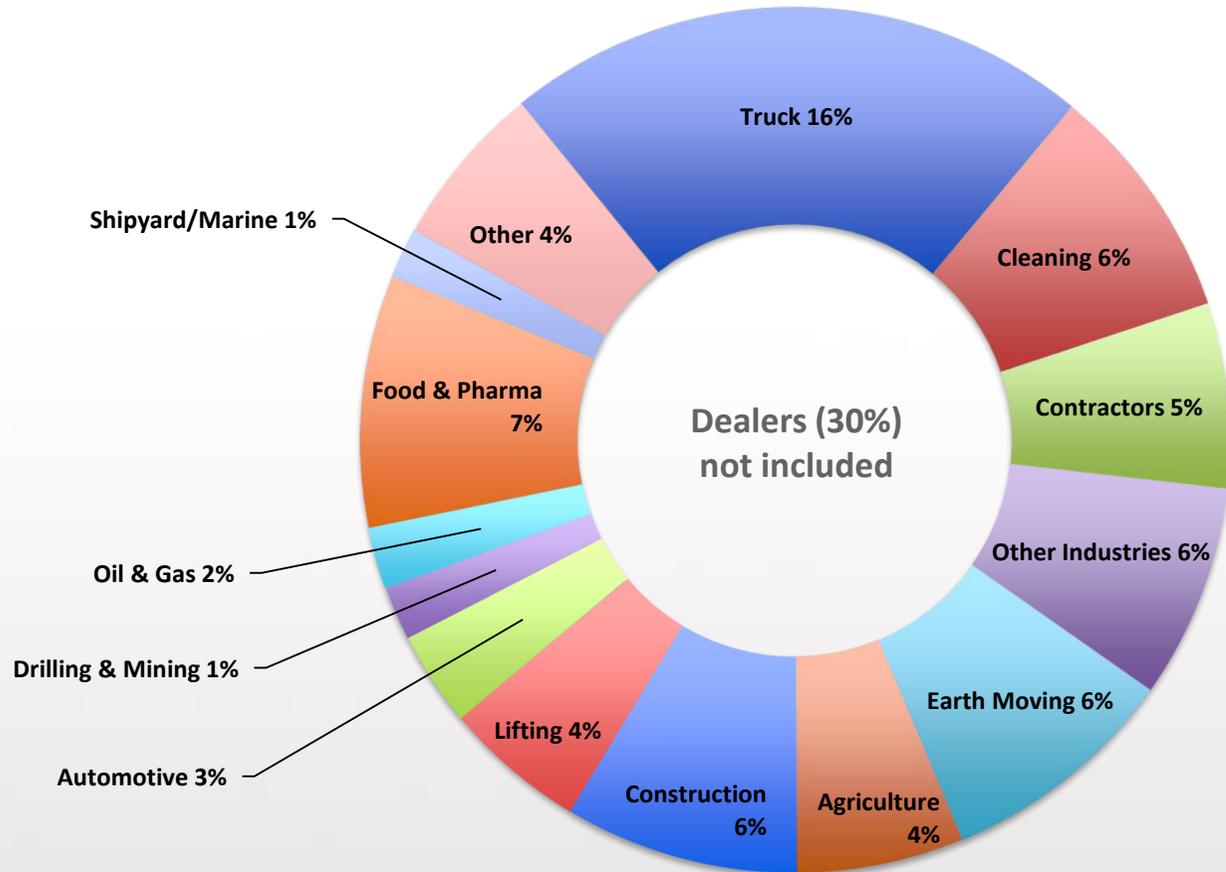
Tunnel-boring machines

Total sales by channel

2017 Total Turnover: Euro 1,087 million



Sales by Application Field



Diversification of our business is the key to our resilience and low overall cyclicity.

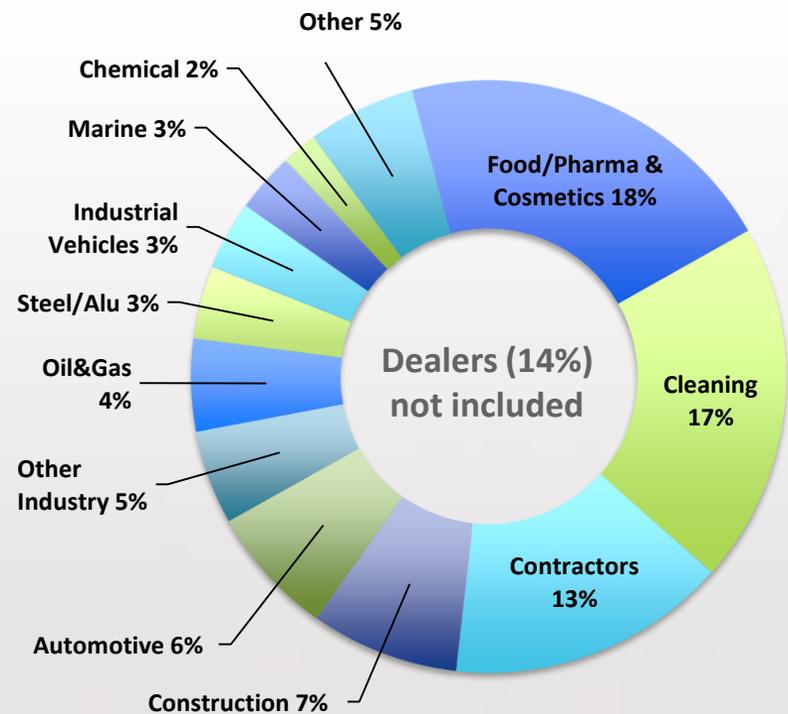
Diversification is a never-ending journey

Significant reduction of cyclicity and correlation achieved over the past decade

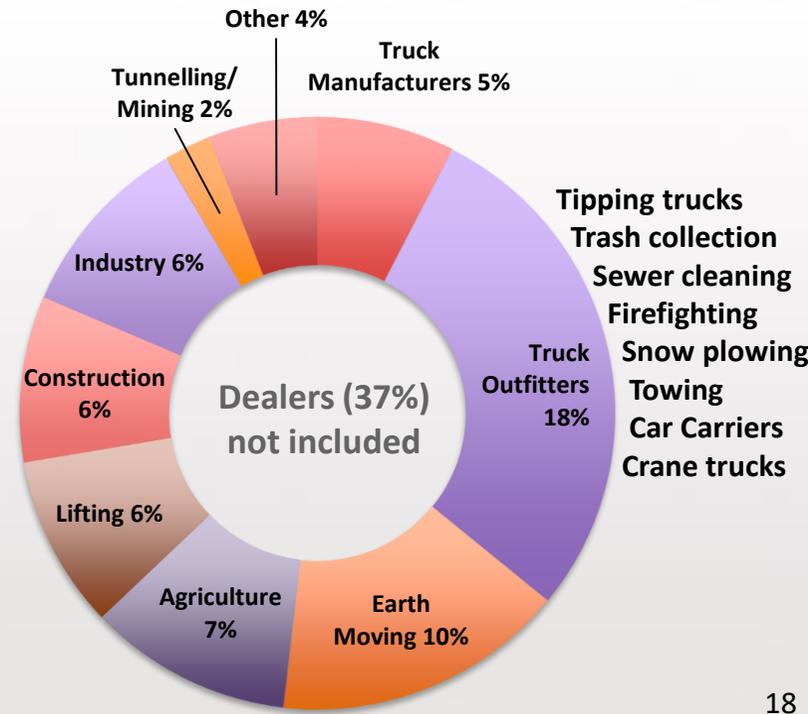
WATER JETTING

HYDRAULICS

- ✓ Diversification into many application sectors with different cycles
- ✓ Ongoing expansion into sectors with little or no cyclicity
- ✓ No single sector is critical for Interpump
- ✓ In most sectors, Interpump is not structurally correlated to industry trends



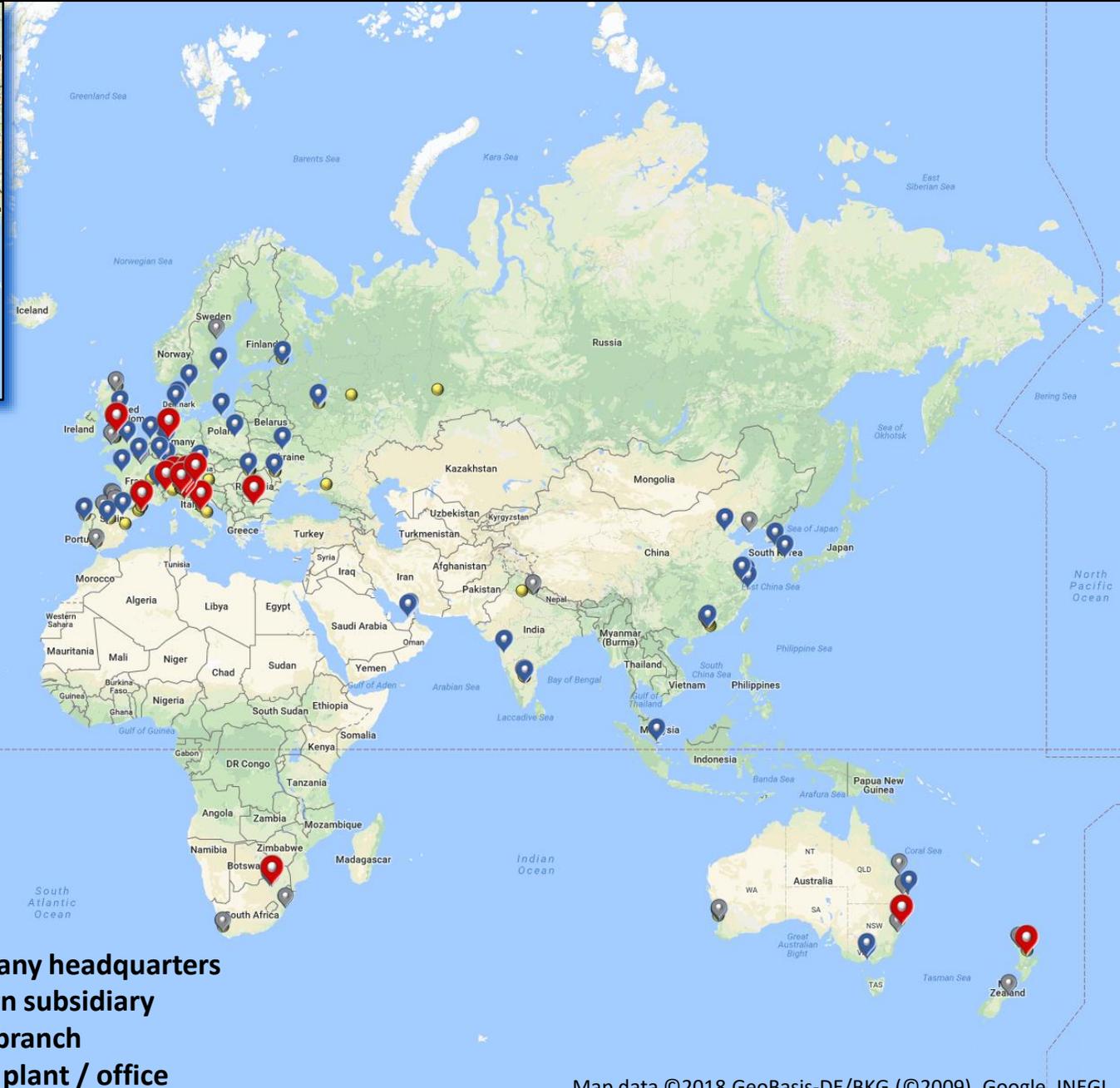
2017





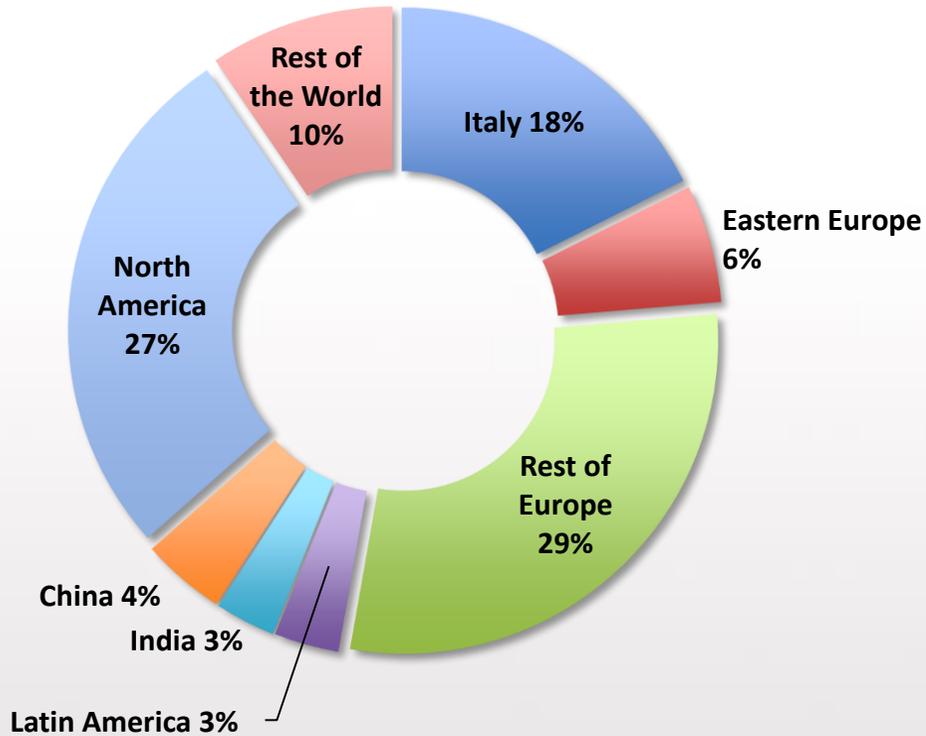
International Profile: Interpump in the World

NORTHERN ITALY

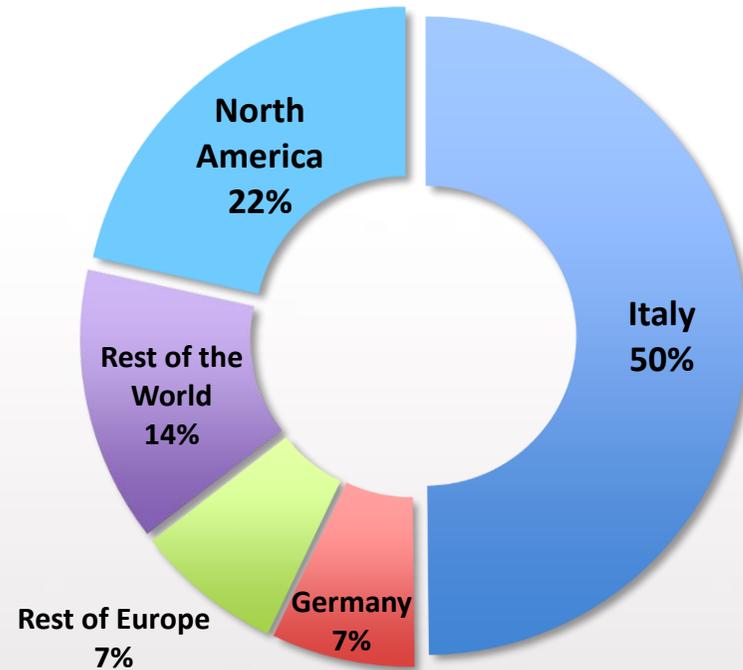


Geographical breakdown of sales and costs (2017)

Sales



Total Costs



Focus on emerging markets: a well-balanced presence

CHINA (大陆)



INDIA



SOUTH KOREA



BRAZIL



Presence through Walvoil, Interpump Hydraulics, GS-Hydro, Inoxpa, Hammelmann

A very lively market for Water-Jetting

Hydraulics: Ready to support the next-generation motorization

Presence through Interpump Hydraulics, Walvoil, Inoxpa

Leader in hydraulics: 3 Production Units to serve important OEM customers (JCB, Tata, Ashok Leyland).

Production of Inoxpa food processing components in Pune

Presence through Walvoil and GS-Hydro

Fast-growing market for hydraulics with many large local OEMs

GS-Hydro branch serving shipyards in the Busan region

Presence through Interpump Hydraulics, Hammelmann, GS-Hydro

2016-2017 sales pattern suggests signs of recovery

In both countries: merger & capacity enlargement of former Walvoil and Hydrocontrol branches completed in Q4 2017



40+ companies acquired since the IPO in 1996 representing roughly 2/3 of each year's growth



3 kinds of acquisitions: Completing the product range, reinforcing competitive positioning, enhancing distribution



Bolt-on acquisitions: no disruption in activity, immediate synergies



Soft integration policy: existing management, brands, IT systems are preserved



Reasonable multiples paid, based on EV/EBITDA ratio



Remarkable increase in EBITDA margins of acquired companies



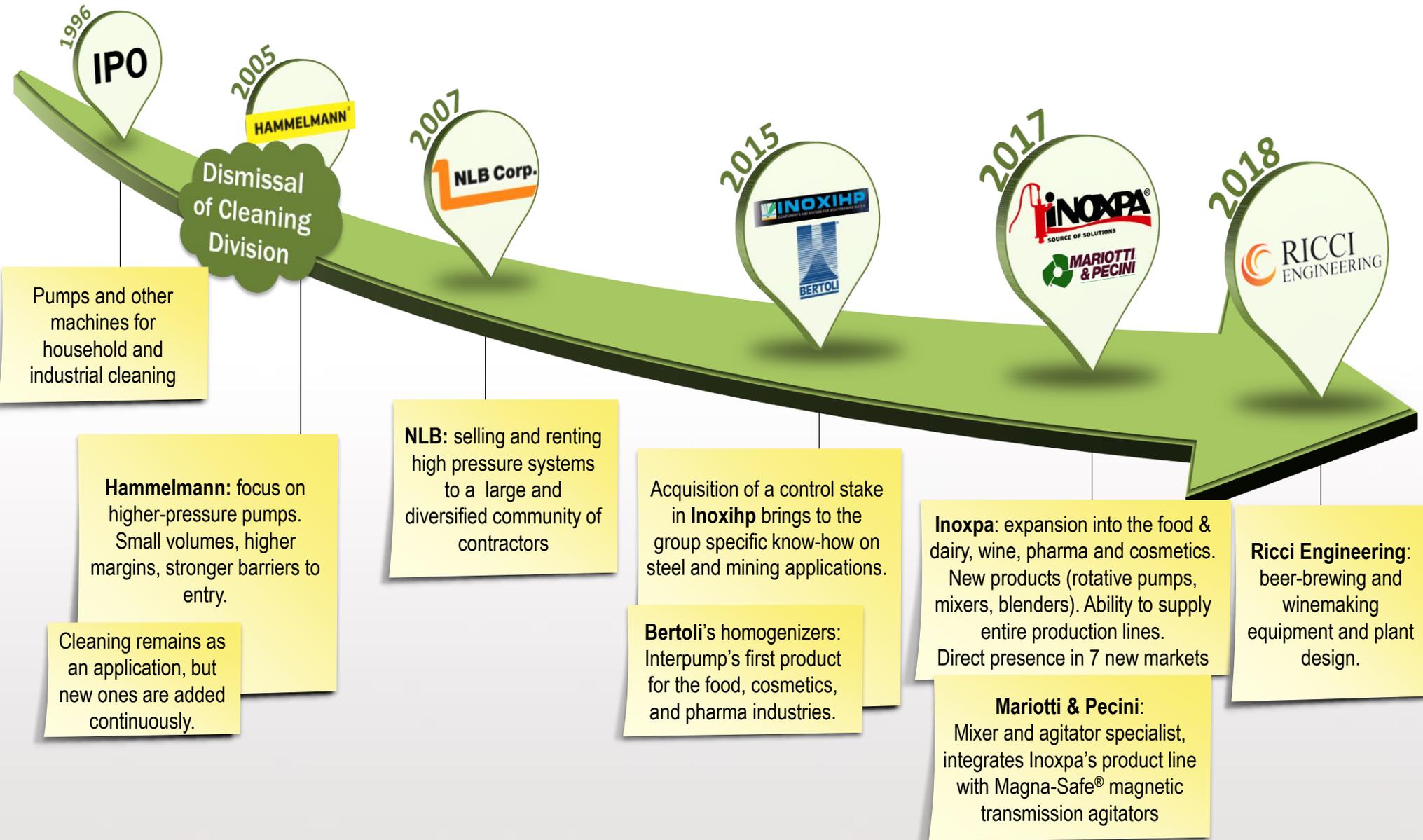
Frequent acquisition of a control stake with agreements for acquiring the minority interest in a few years



Use of Interpump treasury shares as full or partial payment for some acquisitions

Acquisition & Diversification Timeline

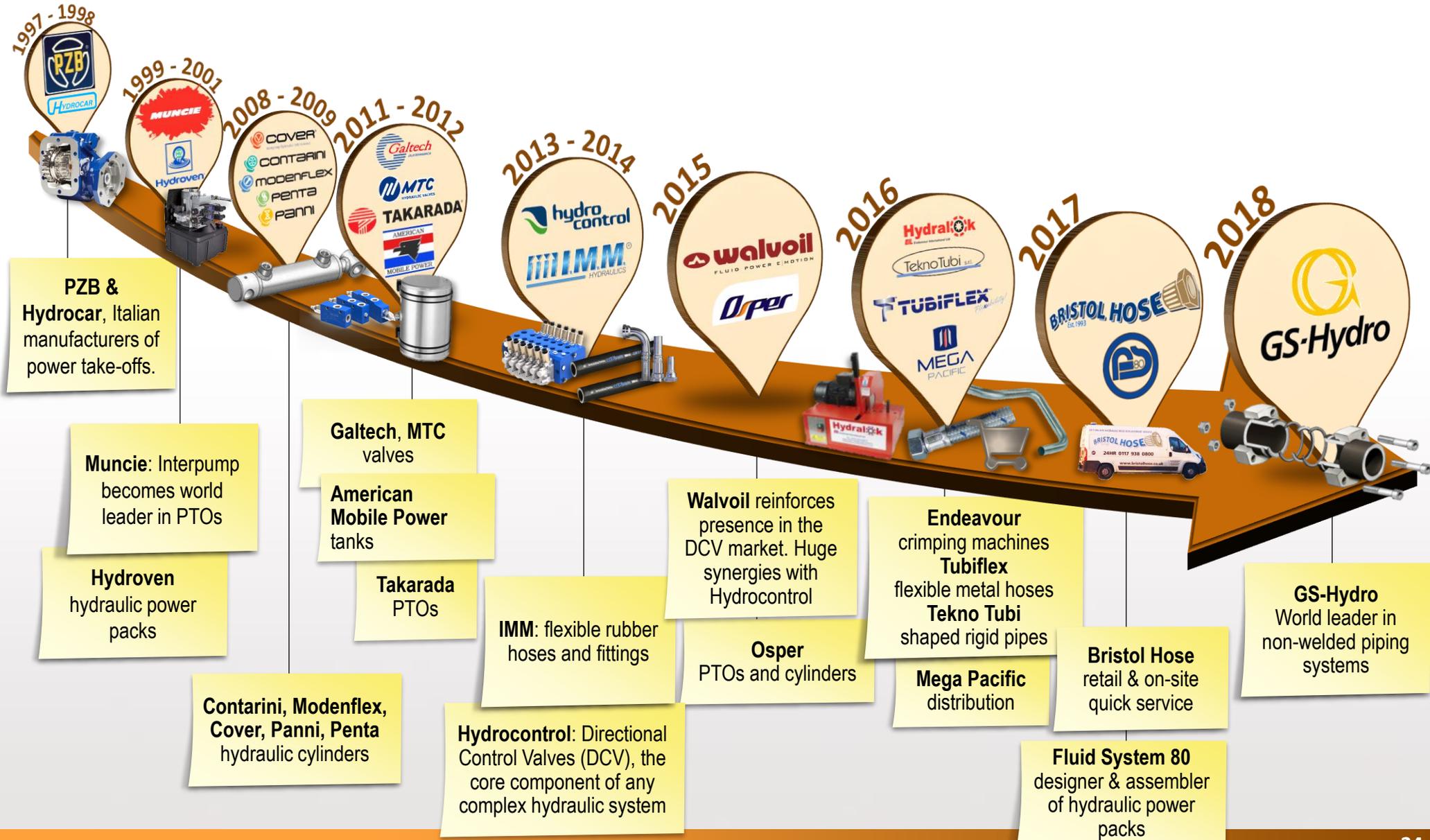
Applications: from cleaning to countless





Acquisition & Diversification Timeline

Products: from PTOs only to integrated hydraulic kits, systems and services





- a world leader in design and execution of piping systems in the industrial, marine, and offshore sectors
- revolutionized the piping industry with the invention of “non-welded” pipe assembly technology (cleaner and faster execution, easier maintenance and repairs)



Estimates for 2017 (€ mn)

SALES	60
EBITDA	4
NET CASH	3
EMPLOYEES	475

Total acquisition price: € 9 mn

- Acquisition in early 2018 of 13 international subsidiaries plus the manufacturing unit of the (bankrupt) Finnish head company
- Intellectual property and certification (where applicable) included in acquisition
- Ensuring continuity and growth of the business according to sound industrial criteria



- A successful start-up which designs, builds and installs plants for breweries and winemakers
- operates in the promising business of micro-brewery plants, a new and fast-expanding market



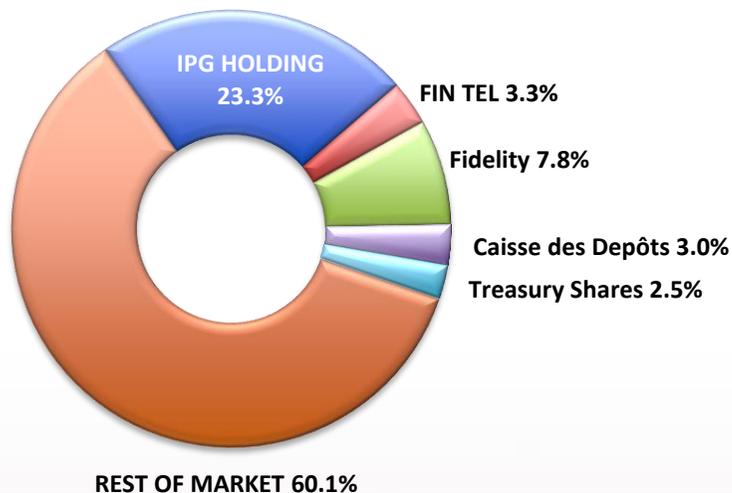
Estimates for 2018 (€ mn)

SALES	2
EBITDA	10%
NET CASH	0.15
PRICE PAID	0.6

Updated 06/11/2018

Shareholder Structure

Source: CONSOB/Company



Analyst Coverage

Alantra
Banca Akros
Equita SIM
Exane BNP Paribas
Fidentiis
Intermonte
Intesa Sanpaolo
Kepler Cheuvreux
Mediobanca

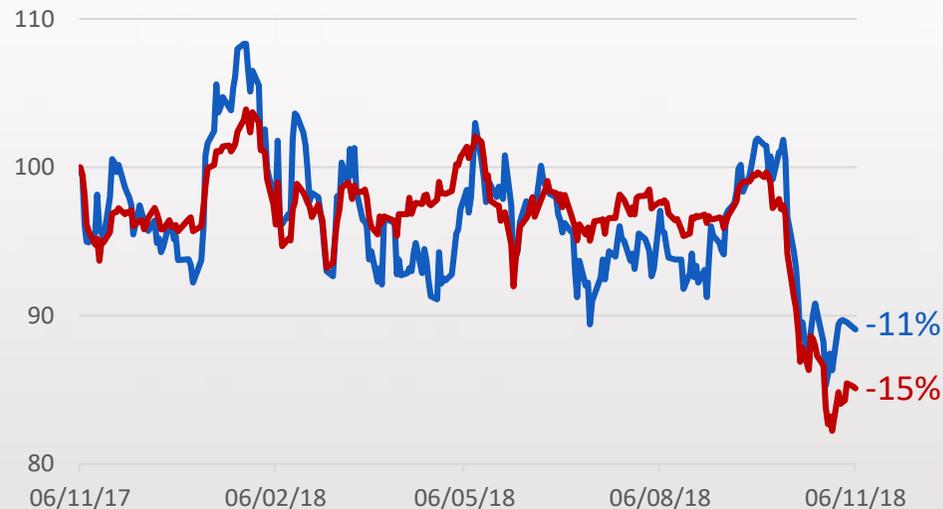
Jacopo Tagliaferri
Paola Saglietti
Domenico Ghilotti
Michele Baldelli
Xhois Hatibi
Carlo Maritano
Bruno Permutti
Matteo Bonizzoni
Alessandro Tortora

Interpump Stock Performance

Total return to shareholders since the IPO: 13.7% per year
(assuming dividend reinvestment and participation to the '09 capital increase)

Share price	25.32
Market Capitalization	€ 2.8 bn
Performance 3 M:	-8%
Performance 1 Y:	-11%
Performance 2 Y:	+79%

1-yr trend: IP MI vs. FTSE STAR Index



Board of Directors

★ = independent

Fulvio Montipò *Chairman and CEO*

Paolo Marinsek *Deputy Chairman*

Franco Garilli *Lead Independent Director*

★ **Angelo Busani** *Minority Director*

★ **Antonia Di Bella**

★ **Marcello Margotto**

★ **Stefania Petruccioli**

★ **Paola Tagliavini**

★ **Giovanni Tamburi**

Board of Statutory Auditors

Fabrizio Fagnola *Chairman*

Federica Menichetti

Alessandra Tronconi

Chief Financial Officer

Carlo Banci

Independent Auditors

EY S.p.A.

Head of Investor Relations

Luca Mirabelli

Synthesis of results

Euro/million	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Sales	199.6	221.3	283.4	319.3	411.7	426.1	492.9	501.7	531.7	331.6	364.9	432.2	424.5	342.9	424.9	472.3	527.2	556.5	672.0	894.9	922.8	1086.6
EBITDA	40.7	46.8	61.1	64.9	79.8	81.4	84.5	75.2	77.3	68.0	79.1	94.3	87.0	46.9	74.1	94.7	105.8	105.2	136.1	180.3	198.5	248.6
Margin	20.4%	21.2%	21.6%	20.3%	19.4%	19.1%	17.1%	15.0%	14.5%	20.5%	21.7%	21.8%	20.5%	13.7%	17.4%	20.0%	20.1%	18.9%	20.3%	20.1%	21.5%	22.9%
EBIT	35.5	40.5	52.4	55.1	67.2	67.6	69.2	59.2	60.5	57.4	69.7	82.2	75.7	29.2	54.7	75.7	84.1	79.2	104.4	136.9	153.5	198.9
Margin	17.8%	18.3%	18.5%	17.2%	16.3%	15.9%	14.0%	11.8%	11.4%	17.3%	19.1%	19.0%	17.8%	8.5%	12.9%	16.0%	15.9%	14.3%	15.5%	15.3%	16.6%	18.3%
Net Profit	7.6	13.8	16.6	22.2	19.0	21.4	21.1	14.3	19.7	27.1	41.6	42.9	40.2	14.0	27.4	42.6	53.2	44.1	57.7	118.3	94.5	135.7
Margin	3.8%	6.2%	5.9%	6.9%	4.6%	5.0%	4.3%	2.8%	3.7%	8.2%	11.4%	9.9%	9.5%	4.1%	6.4%	9.0%	10.1%	7.9%	8.6%	13.1%	10.2%	12.5%
Free Cash flow	8.4	9.2	32.1	26.5	42.1	19.4	17.2	15.9	1.0	52.1	37.9	32.0	22.1	63.1	57.0	30.9	38.6	34.3	38.3	85.2	89.9	93.6
Net Fin. Debt	43.0	38.8	67.9	139.3	153.2	150.7	145.4	172.3	178.4	115.8	99.9	139.6	200.5	186.5	134.9	121.6	66.1	100.3	178.8	265.1	271.5	304.3
(net of treasury stock and including commitments for purchase of investments)																						
Shareholder's Equity	133.1	143.7	157.1	177.1	162.0	182.8	193.4	173.8	179.9	156.7	155.9	147.1	178.0	242.8	291.5	315.2	396.9	432.9	466.6	622.6	677.5	764.7
Debt/Equity	0.32	0.27	0.43	0.79	0.95	0.82	0.75	0.99	0.99	0.74	0.64	0.95	1.13	0.77	0.46	0.39	0.16	0.23	0.38	0.42	0.40	0.40

Continuing operations only: Dismissed sectors are not included in the year of dismissal (2005 for Cleaning; 2011 for Electric Motors)

From 2004 to 2015 figures are prepared in accordance with International Financial Reporting Standards (IFRS). From 1996 to 2003 figures are prepared in accordance with Italian Accounting Standards

Free Cash Flow (12 Months)

(euro/million)	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cash Flow from Operations	25.2	54.6	60.8	65.6	65.3	95.8	120.2	138.0	172.4
Change in Trade Working Capital	44.4	10.1	(21.8)	(12.3)	(1.7)	(23.7)	(6.6)	(12.2)	(30.8)
Capex	(9.2)	(8.7)	(11.8)	(15.8)	(29.8)	(34.1)	(28.9)	(36.5)	(47.8)
Other	2.7	1.0	3.7	3.6	0.5	0.3	0.5	0.7	(0.3)
Free Cash Flow	63.1	57.0	30.9	38.6	34.3	38.3	85.2	89.9	93.6

Purchases as a % of sales (yearly figures)



- ✓ Procurement costs are well under control and do not reflect increases in raw material prices
- ✓ Long-term decrease of purchases on sales reflects increases in efficiency and acquisition of less material-intensive businesses



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, November 7, 2018

Carlo Banci



Cover page:

This Pratissoli hydraulic powered pump is a joint product of Interpump's Water-Jetting and Hydraulic divisions. The compact built-in hydraulic engine (front left), manufactured by IPH, is easily connected to the on-board hydraulic circuit of a sewer truck, reducing design complexity and ensuring a full deployment of the pump's horsepower.

