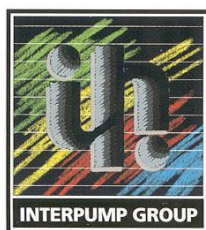


**Half-year financial report  
at 30 June 2021  
and  
Interim Board of Directors' Report  
for Q2 2021**



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



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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: EUR 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*

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*

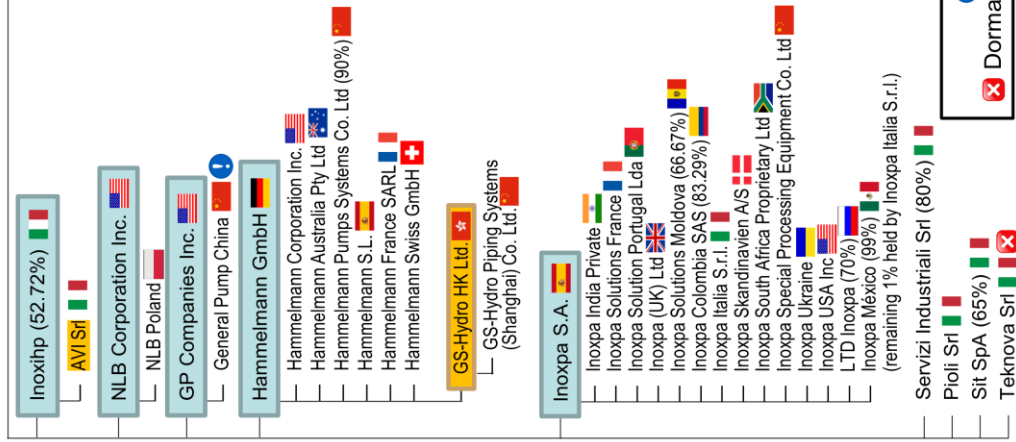


# Group Structure

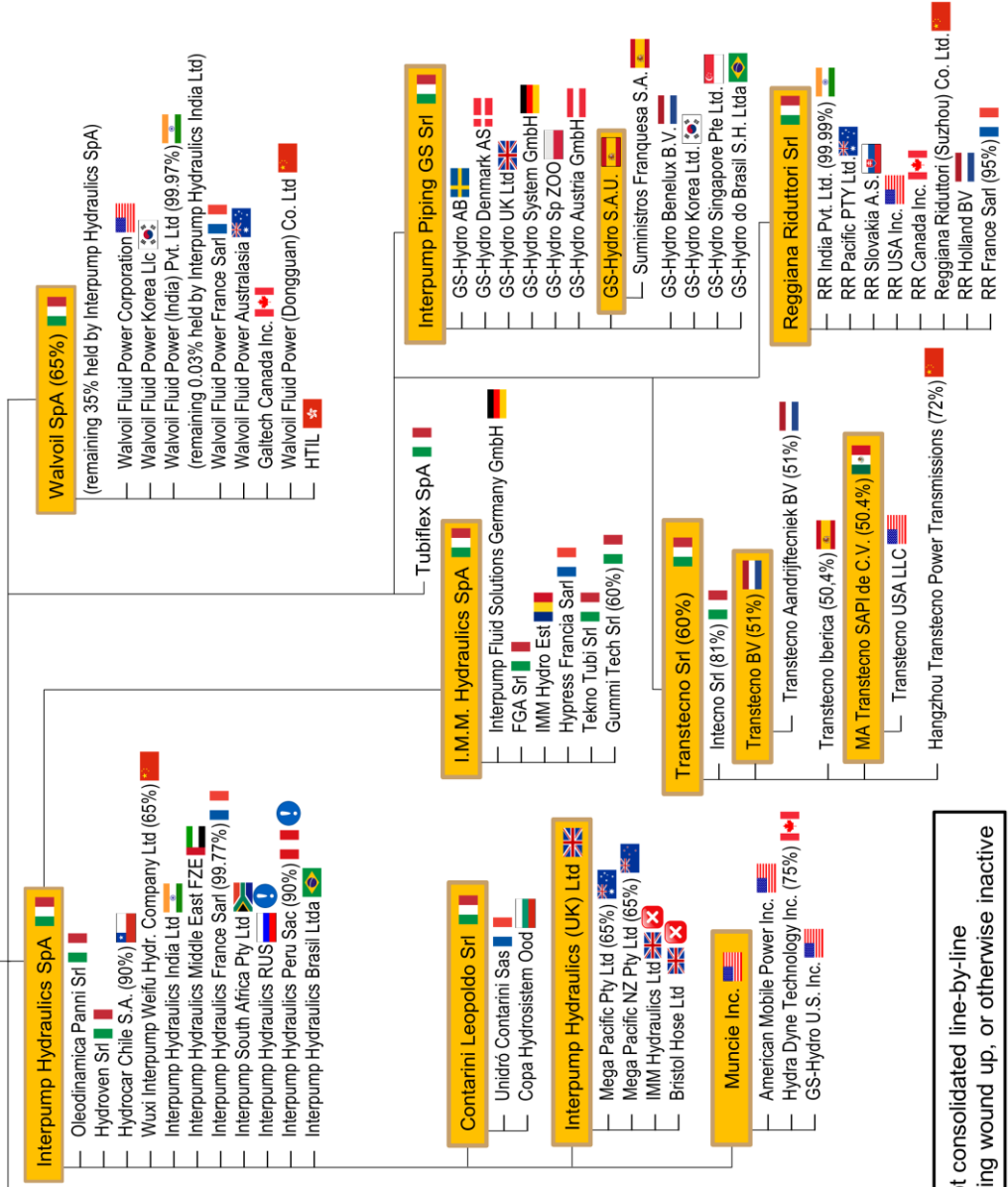


as at 30/06/2021  
all holdings 100% unless otherwise specified

## WATER-JETTING



## HYDRAULICS



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





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



**Directors' remarks on performance  
in H1 2021**

## **PERFORMANCE INDICATORS**

The Group uses several alternative indicators 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 constituted exclusively starting from the Group's historical data and measured in compliance with the matters established by the Guidelines on Alternative Performance Measures issued by ESMA/2015/1415 and adopted by Consob with communication no. 92543 of 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 with continuity and using uniform definition and representation for all the 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 indebtedness (Net financial position):** calculated as the sum of Loans obtained and Bank borrowing less Cash and cash equivalents;
- **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 / Capital employed;
- **Return on equity (ROE):** Net profit / 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.

**H1 consolidated income statements**

(€/000)	<u>2021</u>	<u>2020</u>
<b>Net sales</b>	<b>781,054</b>	<b>639,536</b>
Cost of sales	(492,984)	(411,650)
<b>Gross industrial margin</b>	<b>288,070</b>	<b>227,886</b>
<i>% on net sales</i>	<i>36.9%</i>	<i>35.6%</i>
Other operating revenues	11,386	8,864
Distribution costs	(61,768)	(58,801)
General and administrative expenses	(80,007)	(75,732)
Other operating costs	(3,503)	(10,250)
<b>EBIT</b>	<b>154,178</b>	<b>91,967</b>
<i>% on net sales</i>	<i>19.7%</i>	<i>14.4%</i>
Financial income	7,613	6,867
Financial charges	(11,330)	(11,915)
Equity method contribution	141	113
<b>Profit for the period before taxes</b>	<b>150,602</b>	<b>87,032</b>
Income taxes	(22,270)	(23,564)
<b>Consolidated net profit for the period</b>	<b>128,332</b>	<b>63,468</b>
<i>% on net sales</i>	<i>16.4%</i>	<i>9.9%</i>
<b>Pertaining to:</b>		
Parent company's shareholders	126,953	62,517
Subsidiaries' minority shareholders	1,379	951
<b>Consolidated profit for the period</b>	<b>128,332</b>	<b>63,468</b>
<b>EBITDA</b>	<b>193,308</b>	<b>139,250</b>
<i>% on net sales</i>	<i>24.7%</i>	<i>21.8%</i>
Shareholders' equity	1,262,219	1,094,182
Net indebtedness	206,710	344,155
Payables for the acquisition of investments	65,555	62,392
Capital employed	1,534,484	1,500,729
<b>Unannualized ROCE</b>	<b>10.0%</b>	<b>6.1%</b>
<b>Unannualized ROE</b>	<b>10.2%</b>	<b>5.8%</b>
<b>Basic earnings per share</b>	<b>1.189</b>	<b>0.584</b>

## **SIGNIFICANT EVENTS IN THE HALF-YEAR**

The world economy followed a path of recovery during H1 2021 after the severe impediments throughout 2020 due to the effects of the COVID-19 pandemic. The start-up and progress of the vaccination campaign has led to containment of the pandemic and fueled confidence in a gradual return to a more normal social and economic landscape. Interpump achieved excellent results within this climate of recovery, far in excess of pre-pandemic performance.

Sales, booked for €781.1m, were 22.1% higher than the €639.5m recorded for H1 2020 and 11.1% up compared to the H1 2019 figure of €703.2m. Analysis by business sector shows that sales in the Hydraulic Sector rose by 28.0% with respect to H1 2020, while those in the Water Jetting Sector experienced growth of 10.1%.

EBITDA totalled €193.3m (24.7% of sales). In H1 2020 EBITDA was recorded at €139.2m (21.8% of sales), meaning that the figure has grown by 38.8% in the interim. In H1 2019 the same indicator was booked at €162.2m (23.1% of sales).

Net profit for H1 2021 was €128.3m, benefiting also from a €20.1m reduction in taxation due to the revaluation of trademarks in the individual local financial statements of various Italian subsidiaries in application of a special act in Italian legislation (net profit was €63.5m in H1 2020). The same parameter was recorded at €92.2m in H1 2019.

Free cash flow in H1 2021 was €97.3m (€98.3m in H1 2020). Free cash flow remained at 2020 levels despite the absorption of working capital of the 2021 first half, due mainly to the increase in inventories necessary to cope with the steep rise in volumes.

Compared with H1 2020, the Hydraulic Sector consolidation now includes DZ Trasmissioni, acquired in January 2021, and Suministros Franquesa, which was acquired but not consolidated in 2020 due to its low significance, while the Water Jetting Sector consolidation includes Servizi Industriali, acquired in July 2020.

On 1 June 2021 Interpump Group signed a binding agreement to acquire the White Drive Motors & Steering business unit from the Danfoss Group. This acquisition, which is the biggest in Interpump's history, will extend the Hydraulic Sector product catalogue to include orbital motors and steering system, thus helping to consolidate Interpump's role as a global player in the hydraulic sector. The operation closing date is planned for Q4 2021, following completion of the acquisition of the Hydraulic sector business of Eaton by Danfoss and the granting of approval by the competent authorities. The White Drive Motors & Steering Business Unit includes three manufacturing facilities: Hopkinsville (Kentucky, USA), Parchim (Germany) and Wroclaw (Poland). Furthermore, the acquisition of three production lines is also planned, deriving from Eaton Hydraulics plants in the USA, which will be transferred to the Hopkinsville plant, and a production line in China. The 2021 projected sales figure is slightly higher than €200m, with EBITDA in region of €45m.

The transaction consideration, which will be paid in cash on the closing date, will refer to an enterprise value calculated at €230m, plus an amount (currently estimated at €40m) that is variable in accordance with the EBITDA figure on the closing date, proforma in relation to the entirety of 2021.

In consideration of this transaction, two loan contracts were signed for a total of €230m at a floating rate composed of Euribor (without floor) and a 0.55/0.60 basis points spread.

Further to the transaction, financial leverage (net financial position/EBITDA) will remain at around 1.1 times, thus easily complying with all the financial covenants included in the loan contracts and leaving ample space for further M&A transactions.

## NET SALES

Net sales in H1 2021 totalled €781.1m, up by 22.1% on the €639.5m of H1 2020 (+21.3% like for like and +24.4% also net of exchange differences).

The following table gives a breakdown of sales by business sector and geographical area:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Far East and Oceania</u>	<u>Rest of the World</u>	<u>Total</u>
<i>H1 2021</i>						
Hydraulic Sector	113,825	197,006	119,604	67,815	51,756	550,006
Water Jetting Sector	<u>21,978</u>	<u>85,547</u>	<u>76,915</u>	<u>29,376</u>	<u>17,232</u>	<u>231,048</u>
Total	<u>135,803</u>	<u>282,553</u>	<u>196,519</u>	<u>97,191</u>	<u>68,988</u>	<u>781,054</u>
<i>H1 2020</i>						
Hydraulic Sector	79,853	154,526	111,095	52,448	31,690	429,612
Water Jetting Sector	<u>18,153</u>	<u>75,286</u>	<u>67,335</u>	<u>28,972</u>	<u>20,178</u>	<u>209,924</u>
Total	<u>98,006</u>	<u>229,812</u>	<u>178,430</u>	<u>81,420</u>	<u>51,868</u>	<u>639,536</u>
2021/2020 percentage changes						
Hydraulic Sector	+42.5%	+27.5%	+7.7%	+29.3%	+63.3%	+28.0%
Water Jetting Sector	+21.1%	+13.6%	+14.2%	+1.4%	-14.6%	+10.1%
Total	+38.6%	+22.9%	+10.1%	+19.4%	+33.0%	+22.1%

## PROFITABILITY

The cost of sales accounted for 63.1% of turnover (64.4% in the first half of 2020). Production costs, which totaled €194.9m (€165.1m in H1 2020, which however did not include the costs of DZ Trasmissioni, Suministros Franquesa and Servizi Industriali), accounted for 25.0% of sales (25.8% in the equivalent period of 2020). The purchase cost of raw materials and components sourced on the market, including changes in inventories, was €298.1m (€246.6m in the equivalent period of 2020, which however did not include the costs of DZ Trasmissioni, Suministros Franquesa and Servizi Industriali). The incidence of purchase costs, including changes in inventories, was 38.2% with respect to the 38.6% in the first half of 2020.

On a like for like basis, distribution costs decreased by 4.4% with respect to the first half of 2020, while the relative incidence on sales fell by 1.3 percentage points.

General and administrative expenses rose by 4.3% like for like with respect to H1 2020, with an incidence on sales that was 1.6 percentage points lower.

Total payroll costs were €175.4m (€157.4m in H1 2020, which however did not include the costs of DZ Trasmissioni, Suministros Franquesa and Servizi Industriali). Like for like payroll costs amounted to €174.3m, up by 10.7% with a 10.7% increase due to an increase in the per capita cost of 11.3%, on the one hand, and a reduction in the average headcount of 38 employees, on the other. The increase in per capital cost was recorded by the Italian companies in particular, due to termination of the recourse made to government-assisted lay-offs in order to satisfy the large rise in orders. The average total number of Group employees in H1 2021 was 7,427 (7,384 like for like) compared to 7,422 in H1 2020. The reduction in the average headcount, net of personnel of the newly acquired companies, breaks down as follows: minus 112 in Europe, plus 5 in North America and plus 69 in the Rest of the World.



EBITDA totalled €193.3m (24.7% of sales) compared to €139.2m in H1 2020, which represented 21.8% of sales. The following table shows EBITDA by business sector:

	<i>H1 2021</i>	<i>% on</i>	<i>H1 2020</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>	
Hydraulic Sector	126,377	23.0%	86,110	20.0%	+46.8%
Water Jetting Sector	<u>66,931</u>	28.6%	<u>53,140</u>	25.2%	+26.0%
<b>Total</b>	<b><u>193,308</u></b>	<b>24.7%</b>	<b><u>139,250</u></b>	<b>21.8%</b>	<b>+38.8%</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). For comparability, the percentage is calculated on total sales rather than the net sales shown earlier.

EBIT totalled €154.2m (19.7% of sales) compared with €92.0m in H1 2020 (14.4% of sales), when however a special provision of €7.4m was formed for the termination indemnities of the Chairman; this indemnity was increased by €0.7m in H1 2021, as envisaged in the Remuneration policy report approved by the Shareholders' Meeting.

The tax rate for the period was 14.8% (27.1% in H1 2020). Several Group companies revalued their trademarks based on Italian decree law no.104 of 14 August 2020, which was converted into Law no. 126 of 13 October 2020. The transaction led to the booking of tax benefits of €20.1m. Net of this one-off effect the tax rate would have been 28.1%.

Net profit for H1 2021 was €128.3m (€63.5m in H1 2020) reflecting an increase of +102.2% (+70.5% net of the aforementioned tax benefit). Basic earnings more than doubled, rising from EUR 0.584 in H1 2020 to EUR 1.189 in H1 2021.

Capital employed increased from €1,482.2m at 31 December 2020 to €1,534.5m at 30 June 2021, principally due to the increase in working capital caused, in the main, by the need to adapt inventories to accommodate the ongoing economic recovery. Unannualized ROCE was 10.0% (6.1% in H1 2020). Unannualized ROE was 10.2% (5.8% in H1 2020).

**CASH FLOW**

The change in net indebtedness breaks down as follows:

	<i>H1 2021</i>	<i>H1 2020</i>
	<u>€/000</u>	<u>€/000</u>
<b>Opening net financial position</b>	<b>(269,500)</b>	<b>(370,814)</b>
Adjustment: opening net cash position of companies not consolidated line by line at the end of the prior year	(161)	(2,223)
<b>Adjusted opening net financial position</b>	<b>(269,661)</b>	<b>(373,037)</b>
Cash flow from operations	169,825	117,301
Principal portion of leasing installments paid	(9,235)	(9,460)
Cash flow generated (absorbed) by the management of commercial working capital	(41,247)	20,261
Cash flow generated (absorbed) by other current assets and liabilities	12,100	(1,757)
Investment in tangible fixed assets	(32,696)	(28,520)
Proceeds from the sale of tangible fixed assets	1,467	820
Investment in other intangible assets	(2,982)	(1,867)
Received financial income	286	635
Other	(195)	887
<b>Free cash flow</b>	<b>97,323</b>	<b>98,300</b>
Acquisition of investments, including received debt and net of treasury stock assigned	(5,363)	(39,065)
Dividends paid	(28,434)	(28,079)
Outlays for the purchase of treasury shares	(5,767)	(20,911)
Proceeds from the sale of treasury shares to beneficiaries of stock options	426	13,834
Principal portion of leasing installments paid	9,235	9,460
Principal portion of new leasing contracts arranged	(6,132)	(6,198)
Restatement and early redemption of leasing contracts	957	1,635
Change in other financial assets	(197)	(472)
<b>Net cash generated (used)</b>	<b>62,048</b>	<b>28,504</b>
Exchange differences	903	378
<b>Closing net financial position</b>	<b><u>(206,710)</u></b>	<b><u>(344,155)</u></b>

Net liquidity generated by operations totalled €169.8m (€117.3m in H1 2020), reflecting an increase of 44.8%. Free cash flow stood at €97.3m (€98.3m in H1 2020).

The net financial position, excluding the debts and commitments illustrated below, can be broken down as follows:

	30/06/2021	31/12/2020	30/06/2020	01/01/2020
	<u>€/000</u>	<u>€/000</u>	<u>€/000</u>	<u>€/000</u>
Cash and cash equivalents	401,412	343,170	318,977	233,784
Bank payables (advances and STC amounts)	(6,355)	(10,592)	(15,247)	(22,076)
Interest-bearing financial payables (current portion)	(178,787)	(183,873)	(197,367)	(195,110)
Interest-bearing financial payables (non-current portion)	<u>(422,980)</u>	<u>(418,205)</u>	<u>(450,518)</u>	<u>(387,412)</u>
<b>Total</b>	<b><u>(206,710)</u></b>	<b><u>(269,500)</u></b>	<b><u>(344,155)</u></b>	<b><u>(370,814)</u></b>

The Group also has contractual commitments for the acquisition of residual interests in subsidiaries totalling €65.6m (€62.7m at 31 December 2020 and €62.4m at 30 June 2020). Of this amount, €2.4m relates to the acquisition of equity investments (€3.2m at 31 December 2020), while €63.2m relates to contractual agreements for the acquisition of residual interests in subsidiaries (€59.5m at 31 December 2020).

## CAPITAL EXPENDITURE

Expenditure on property, plant and machinery totalled €45.4m, of which €1.8m through the acquisition of investments (€42.1m, of which €13.4m through the acquisition of investments in the 2020 first half). The additions during the year are analyzed in the following table.

€/000	H1 2021 €/000	H1 2020 €/000
Increases for the purchase of fixed assets used in the production process	32,385	19,499
Increases for machinery rented to customers	5,032	2,936
Leased assets	<u>6,132</u>	<u>6,198</u>
<i>Capex</i>	43,549	28,633
Increases through the acquisition of equity investments	<u>1,811</u>	<u>13,431</u>
Total increases in the period	<u>45,360</u>	<u>42,064</u>

The increases in 2021 include €13.9m invested in land and buildings (€3.6m in H1 2020).

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 totaled €3.1m (€17.5m in H1 2020, of which €15.6m through the acquisition of equity investments).

## 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, in H1 2021 Interpump examined and measured the impacts of legislative decree 49/2019, which implements the provisions of EU Directive 2017/828 ("Shareholders' Rights II") concerning related parties, and considering the consequent changes introduced by CONSOB to the Issuers' Regulation and the Related Party Transactions Regulation on 10 December 2020, which will come into force from 1 July 2021. At the end of this process, in its meeting of 28 June the Board of Directors approved the new version of the Procedure for Related Party Transactions, which is published on the Interpump website ([www.interpumpgroup.it](http://www.interpumpgroup.it) Corporate Governance section). Information on transactions carried out with related parties is given in Note 9 of the interim consolidated financial statements at 30 June 2021. Note anyway that there were no atypical or unusual transactions carried out with Related Parties in H1 2021 and that Related Party transactions were conducted at arm's length conditions.

## **CHANGES IN GROUP STRUCTURE IN H1 2021**

Hammelmann Bombas has been absorbed by Interpump Hydraulics Brasil and Inoxpa Australia has been absorbed by Hammelmann Australia, both with effect from 1 January 2021. In addition, Inoxpa Middle East has been wound up. Also with effect from 1 January 2021 DZ Trasmissioni S.r.l. was absorbed by Transtecno S.r.l.

## **RISK FACTORS**

The business of the Group is exposed to various financial risks: market risk (including the exchange rate risk and interest rate risk), credit risk, liquidity risk, price risk and cash flow risk. The risk management programme is based on the unpredictability of financial markets and it aims to minimize any negative impact on the group's financial performance. Based on the policy approved by the Board of Directors, Interpump Group may use derivative financial instruments to hedge the exposure to exchange-rate and interest-rate risks, but cannot arrange derivative financial instruments for speculative purposes. Based on this procedure, financial risk hedging is managed by a central department in the parent company in cooperation with individual operating units. Group exposure to financial risks remained substantially unchanged with respect to 31 December 2020.

### *Exchange risk*

The Group has subsidiaries in 34 countries and must convert financial statements denominated in 26 currencies other than the euro. Accordingly, the Group is primarily exposed to the risk deriving from conversion of the financial statements of the companies in question.

The Group operates internationally and mostly manufactures in the countries of the destination markets. As such, the majority of local currency revenues are naturally absorbed by costs incurred in the same currency. On a residual level however, the Group is exposed to the exchange-rate risk that derives from transactions with costs and revenues in different currencies, mainly in relation to exchange with the US Dollar, the Brazilian Real, the Indian Rupee, the Chinese Renminbi and, to a much lesser extent, to the exchange risk deriving from exposure to UK sterling, the Canadian Dollar, the Australian Dollar, the Russian Ruble, the South African Rand, the UAE Dirham, the Chilean, Mexican and Colombian Pesos, the Danish Krone and the Romanian Leu.

In view of the significant natural hedge described above, management has decided not to arrange specific hedges except for single and sporadic transactions.

In relation to financial exposure, intercompany loans totalling €2.1m were granted in H1 2021 and loans of €1.9m were collected in currencies other than those utilized by the debtor companies. At 30 June 2021 loans granted in currencies other than those used by debtor companies stood at €26.6m, in line with those recorded at 31 December 2020 (€26.7m). The Group decided to proceed in its strategy of not hedging this exposure also in H1 2021.

### *Interest rate risk*

With the exception of €35.1m, all liquidity was held at floating rates at 30 June 2021; likewise, except for €3.8m, all bank loans and financial payables bear interest at floating rates.

Currently Group policy involves careful assessment of market opportunities related to the possibility of taking out hedges (IRS) at economically advantageous conditions; however, considering that the average duration of the Group's medium-/long-term loans is currently somewhat short (around 3 or 4 years), any potential hedges are unlikely to be particularly attractive.

#### *Credit risk*

The Group is not exposed to any significant concentrations of sales and historically it has not suffered any significant losses on receivables thanks also to its attentive policy of selling to customers only following a careful assessment of their credit rating and also within preset credit limits. At the present, the Group considers that the situation of its receivables is sound, as evidenced, among other considerations, by losses on receivables at 30 June 2021 totalling €947k (0.1% of sales). Losses on receivables in H1 2020 totalled €1,071k (0.2% of sales). The potential risk has already been assessed and offset in the financial statements.

#### *Liquidity risk*

Together with the resources generated by operating and financing activities, management considers that the funds and lines of credit currently available will enable the Group to meet the requirements deriving from investing activities, the management of working capital and the settlement of payables as they fall due, while also supporting the pursuit of a growth strategy that includes targeted acquisitions capable of creating value for the shareholders. Current cash on hand at 30 June 2021 totals €401.4m. As in the past, the amount of cash on hand and the further cash to be generated from the operating activities of the Group during H1 2021 are definitely factors that reduce the exposure of the Group to liquidity risk.

#### *Price risk*

The Group is exposed to risks deriving from fluctuations in the prices of the metals utilized, namely brass, aluminium, steel, stainless steel, cast iron and, to a lesser extent, copper, sheet steel and mild steel. Even though the various Group Sectors have a similar exposure to fluctuations of metals prices, they adopt different risk reduction strategies depending on the specific metals involved. We invite you to refer to the notes to the financial statements at 31 December 2020 for more comprehensive information.

Compared to 31 December 2020, the prices of raw materials used by the Group have increased significantly. Wherever possible, the Group has reviewed its selling prices periodically in order to pass on all or part of the expense resulting from higher raw materials prices to its customers. The Group constantly monitors the price trend of these raw materials in the attempt to adopt the most effective policies to minimize potential exposure to this risk.

#### *COVID-19 risk*

Right from the start, Interpump monitored the development of the pandemic with great attention, establishing a dedicated task force and adopting promptly all necessary virus prevention, control and containment measures at all locations around the world, in order to safeguard the health of employees and collaborators.

With regard to the potential financial repercussions for the Group, the various loan covenants are fully respected at 30 June 2021 and, at that date, consolidated cash and cash equivalents amount to €401.4m, being more than sufficient to cover commitments through 2021 and even beyond, considering the ability to generate additional resources demonstrated by the profitability and positive cash flows of the Group throughout its existence. In addition, the Group has substantial undrawn credit lines available, ensuring flexible access to the debt market should unforeseeable events occur that might have an adverse impact on corporate cash flows.

## **EVENTS AFTER THE END OF H1 2021**

No atypical or unusual transactions have been carried out subsequent to 30 June 2021 that would call for changes to the consolidated financial statements at 30 June 2021.

**Directors' remarks on performance  
in Q2 2021**





## Q2 consolidated income statements

(€/000)	2021	2020
<b>Net sales</b>	<b>405,485</b>	<b>295,565</b>
Cost of sales	(253,913)	(190,336)
<b>Gross industrial margin</b>	<b>151,572</b>	<b>105,229</b>
<i>% on net sales</i>	<i>37.4%</i>	<i>35.6%</i>
Other operating revenues	5,844	4,098
Distribution costs	(31,924)	(27,152)
General and administrative expenses	(41,268)	(36,120)
Other operating costs	(1,734)	(4,278)
<b>EBIT</b>	<b>82,490</b>	<b>41,777</b>
<i>% on net sales</i>	<i>20.3%</i>	<i>14.1%</i>
Financial income	2,553	2,165
Financial charges	(7,173)	(3,204)
Equity method contribution	72	50
<b>Profit for the period before taxes</b>	<b>77,942</b>	<b>40,788</b>
Income taxes	(3,397)	(10,616)
<b>Consolidated profit for the period</b>	<b>74,545</b>	<b>30,172</b>
<i>% on net sales</i>	<i>18.4%</i>	<i>10.2%</i>
<b>Pertaining to:</b>		
Parent company's shareholders	73,861	29,381
Subsidiaries' minority shareholders	684	791
<b>Consolidated profit for the period</b>	<b>74,545</b>	<b>30,172</b>
<b>EBITDA</b>	<b>101,837</b>	<b>64,904</b>
<i>% on net sales</i>	<i>25.1%</i>	<i>22.0%</i>
Shareholders' equity	1,262,219	1,094,182
Net indebtedness	206,710	344,155
Payables for the acquisition of investments	65,555	62,392
Capital employed	1,534,484	1,500,729
<b>Unannualized ROCE</b>	<b>5.4%</b>	<b>2.8%</b>
<b>Unannualized ROE</b>	<b>5.9%</b>	<b>2.8%</b>
<b>Basic earnings per share</b>	<b>0.692</b>	<b>0.273</b>

## NET SALES

Net sales in Q2 2021 totalled €405.5m, up by 37.2% on the €295.6m of Q2 2020 (+36.5% like for like and +39.4% also net of exchange differences).

Net sales in Q2 are distributed as shown below by business sector and geographical area:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Far East and Oceania</u>	<u>Rest of the World</u>	<u>Total</u>
<i>Q2 2021</i>						
Hydraulic Sector	59,972	103,754	60,919	34,702	23,774	283,121
Water Jetting Sector	<u>11,583</u>	<u>46,350</u>	<u>40,969</u>	<u>14,019</u>	<u>9,443</u>	<u>122,364</u>
Total	<u>71,555</u>	<u>150,104</u>	<u>101,888</u>	<u>48,721</u>	<u>33,217</u>	<u>405,485</u>
<i>Q2 2020</i>						
Hydraulic Sector	35,692	71,274	47,692	29,017	10,989	194,664
Water Jetting Sector	<u>8,587</u>	<u>35,597</u>	<u>32,219</u>	<u>13,903</u>	<u>10,595</u>	<u>100,901</u>
Total	<u>44,279</u>	<u>106,871</u>	<u>79,911</u>	<u>42,920</u>	<u>21,584</u>	<u>295,565</u>
2021/2020 percentage changes						
Hydraulic Sector	+68.0%	+45.6%	+27.7%	+19.6%	+116.3	+45.4%
Water Jetting Sector	+34.9%	+30.2%	+27.2%	+0.8%	-10.9%	+21.3%
Total	+61.6%	+40.5%	+27.5%	+13.5%	+53.9%	+37.2%

## PROFITABILITY

The cost of sales accounted for 62.6% of turnover (64.4% in Q2 2020). Production costs, which totalled €99.3m (€78.0m in Q2 2020, which however did not include the costs of DZ Trasmissioni, Suministros Franquesa and Servizi Industriali), accounted for 24.5% of sales (26.4% in the equivalent period of 2020). The purchase cost of raw materials and components sourced on the market, including changes in inventories, was €154.6m (€112.4m in the equivalent period of 2020, which however did not include the costs of DZ Trasmissioni, Suministros Franquesa and Servizi Industriali). The incidence of purchase costs, including changes in inventories, was 38.1% (38.0% in Q2 2020).

Like for like distribution costs rose by 16.8% with respect to Q2 2020, while the incidence on sales fell by 1.3 percentage points.

Net of consolidation differences, general and administrative expenses rose by 13.0% with respect to the second quarter of 2020, although their incidence on sales fell by 2.1 percentage points.

EBITDA totalled €101.8m (25.1% of sales) compared with €64.9m in Q2 2020 (22.0% of sales), hence up by 56.9%.

The following table shows EBITDA by business sector:

	<i>Q2 2021</i>	<i>% on</i>	<i>Q2 2020</i>	<i>% on</i>	
	<i>€/000</i>	<i>total</i>	<i>€/000</i>	<i>total</i>	<i>Increase/</i>
		<i>sales*</i>		<i>sales*</i>	<i>Decrease</i>
Hydraulic Sector	65,890	23.2%	40,025	20.5%	+64.6%
Water Jetting Sector	<u>35,947</u>	29.0%	<u>24,879</u>	24.5%	+44.5%
<b>Total</b>	<b><u>101,837</u></b>	<b>25.1%</b>	<b><u>64,904</u></b>	<b>22.0%</b>	<b>+56.9%</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). For comparability, the percentage is calculated on total sales rather than the net sales shown earlier.

EBIT was €82.5m (20.3% of sales) compared with €41.8m in Q2 2020 (14.1% of sales) thus growing by 97.5%.

Q2 closed with consolidated net profit of €74.5m (€30.2m in Q2 2020). Refer to the notes on the tax benefit of trademark revaluations in the comments on the tax rate of the first half.

Basic earnings per share were EUR 0.692, compared to EUR 0.273 in Q2 2020.

## BUSINESS OUTLOOK

Considering the short span of time covered by the Group's order portfolio and difficulties and uncertainties concerning the current world economic situation, it is impractical to formulate reliable forecasts in relation to trends in the second half of 2021, which anyway appears to be highly positive. The Group will continue to devote special attention to controlling costs and to finance management in order to maximize the generation of free cash flow for allocation to internal and external growth and remuneration of the shareholders.

Sant'Ilario d'Enza (RE), 4 August 2021

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

Pursuant to the terms of art. 154-(2), para. 2, of the Italian Consolidated Finance Act, Chief Reporting Officer Carlo Banci declares that the accounting disclosures in this document correspond to the documentary evidence, the company books and the accounting entries.

Sant'Ilario d'Enza (RE), 4 August 2021

Carlo Banci  
Chief Reporting  
Officer



## **Financial statements and notes**



## Consolidated statement of financial position

(€/000)	<u>Notes</u>	<u>30/06/2021</u>	<u>31/12/2020</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		401,412	343,170
Trade receivables		333,159	261,707
Inventories	4	415,337	376,596
Tax receivables		17,661	23,573
Other current assets		14,647	10,360
<b>Total current assets</b>		<b>1,182,216</b>	<b>1,015,406</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	487,102	476,480
Goodwill	1	554,552	549,168
Other intangible assets		43,087	43,511
Other financial assets		1,967	2,269
Tax receivables		826	757
Deferred tax assets		81,124	59,610
Other non-current assets		2,188	2,089
<b>Total non-current assets</b>		<b>1,170,846</b>	<b>1,133,884</b>
<b>Total assets</b>		<b>2,353,062</b>	<b>2,149,290</b>

(€/000)	<u>Notes</u>	<u>30/06/2021</u>	<u>31/12/2020</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables		209,313	154,098
Bank payables		6,355	10,592
Interest-bearing financial payables (current portion)		178,787	181,603
Tax payables		31,428	14,483
Other current liabilities		131,088	73,738
Provisions for risks and charges		4,524	4,739
<b>Total current liabilities</b>		<b>561,495</b>	<b>439,253</b>
<b>Non-current liabilities</b>			
Interest-bearing financial payables		422,980	420,475
Liabilities for employee benefits		24,094	23,809
Deferred tax liabilities		43,912	43,229
Tax payables		3,162	3,809
Other non-current liabilities		24,069	58,323
Provisions for risks and charges		11,131	10,415
<b>Total non-current liabilities</b>		<b>529,348</b>	<b>560,060</b>
<b>Total liabilities</b>		<b>1,090,843</b>	<b>999,313</b>
<b>SHAREHOLDERS' EQUITY</b>	6		
Share capital		55,458	55,462
Legal reserve		11,323	11,323
Share premium reserve		78,695	78,693
Reserve for restatement of defined benefit plans		(8,217)	(8,217)
Translation reserve		(13,762)	(27,215)
Other reserves		1,128,730	1,029,529
<b>Group shareholders' equity</b>		<b>1,252,227</b>	<b>1,139,575</b>
Minority interests		9,992	10,402
<b>Total shareholders' equity</b>		<b>1,262,219</b>	<b>1,149,977</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,353,062</b>	<b>2,149,290</b>



## H1 consolidated income statements

(€/000)	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<b>Net sales</b>		<b>781,054</b>	<b>639,536</b>
Cost of sales		(492,984)	(411,650)
<b>Gross industrial margin</b>		<b>288,070</b>	<b>227,886</b>
Other net revenues		11,386	8,864
Distribution costs		(61,768)	(58,801)
General and administrative expenses		(80,007)	(75,732)
Other operating costs		(3,503)	(10,250)
<b>Ordinary profit before financial charges</b>		<b>154,178</b>	<b>91,967</b>
Financial income	7	7,613	6,867
Financial charges	7	(11,330)	(11,915)
Equity method contribution		141	113
<b>Profit for the period before taxes</b>		<b>150,602</b>	<b>87,032</b>
Income taxes		(22,270)	(23,564)
<b>Consolidated profit for the period</b>		<b>128,332</b>	<b>63,468</b>
<b>Pertaining to:</b>			
Parent company's shareholders		126,953	62,517
Subsidiaries' minority shareholders		1,379	951
<b>Consolidated profit for the period</b>		<b>128,332</b>	<b>63,468</b>
Basic earnings per share	8	1.189	0.584
Diluted earnings per share	8	1.176	0.581

## H1 comprehensive consolidated income statements

(€/000)	<u>2021</u>	<u>2020</u>
<b>Consolidated profit (A)</b>	<b>128,332</b>	<b>63,468</b>
<b>Other comprehensive profit (loss) that will be subsequently reclassified to consolidated profit</b>		
<i>Profits (losses) arising from translation of the financial statements of foreign companies</i>	13,765	(9,065)
<i>Profits (losses) of companies carried at equity</i>	52	(62)
<i>Related taxes</i>	=	=
<b>Total other profit (loss) that will be subsequently reclassified in consolidated profit for the period, net of the tax effect (B)</b>	<b><u>13,817</u></b>	<b><u>(9,127)</u></b>
<b>H1 comprehensive consolidated profit (A) + (B)</b>	<b><u>142,149</u></b>	<b><u>54,341</u></b>
<b>Pertaining to:</b>		
Parent company's shareholders	140,406	53,687
Subsidiaries' minority shareholders	1,743	654
<b>Comprehensive consolidated profit for the period</b>	<b><u>142,149</u></b>	<b><u>54,341</u></b>

## Q2 consolidated income statements

(€/000)		<u>2021</u>	<u>2020</u>
<b>Net sales</b>		<b>405,485</b>	<b>295,565</b>
Cost of sales		(253,913)	(190,336)
<b>Gross industrial margin</b>		<b>151,572</b>	<b>105,229</b>
Other net revenues		5,844	4,098
Distribution costs		(31,924)	(27,152)
General and administrative expenses		(41,268)	(36,120)
Other operating costs		(1,734)	(4,278)
<b>Ordinary profit before financial charges</b>		<b>82,490</b>	<b>41,777</b>
Financial income	7	2,553	2,165
Financial charges	7	(7,173)	(3,204)
Equity method contribution		72	50
<b>Profit for the period before taxes</b>		<b>77,942</b>	<b>40,788</b>
Income taxes		(3,397)	(10,616)
<b>Consolidated net profit for the year</b>		<b>74,545</b>	<b>30,172</b>
<b>Pertaining to:</b>			
Parent company's shareholders		73,861	29,381
Subsidiaries' minority shareholders		684	791
<b>Consolidated profit for the period</b>		<b>74,545</b>	<b>30,172</b>
Basic earnings per share	8	0.692	0.273
Diluted earnings per share	8	0.684	0.272

## Q2 comprehensive consolidated income statements

(€/000)	<u>2021</u>	<u>2020</u>
<b>Q2 consolidated profit (A)</b>	<b>74,545</b>	<b>30,172</b>
<b>Other comprehensive profit (loss) that will be subsequently reclassified to consolidated profit</b>		
<i>Profits (losses) arising from translation of the financial statements of foreign companies</i>	(4,169)	(5,462)
<i>Profits (losses) of companies carried at equity</i>	23	(4)
<i>Related taxes</i>	=	=
<b>Total other profit (loss) that will be subsequently reclassified in consolidated profit for the period, net of the tax effect (B)</b>	<b><u>(4,146)</u></b>	<b><u>(5,466)</u></b>
<b>Q2 comprehensive consolidated profit (A) + (B)</b>	<b><u>70,399</u></b>	<b><u>24,706</u></b>
<b>Pertaining to:</b>		
Parent company's shareholders	69,691	23,979
Subsidiaries' minority shareholders	708	727
<b>Comprehensive consolidated profit for the period</b>	<b><u>70,399</u></b>	<b><u>24,706</u></b>

**H1 consolidated cash flow statements**

(€/000)	<u>2021</u>	<u>2020</u>
<b>Cash flow from operating activities</b>		
Pretax profit	150,602	87,032
Adjustments for non-cash items:		
Capital losses (gains) from the sale of fixed assets	(3,382)	(958)
Amortization and depreciation, loss and reinstatement of the value of assets	37,783	39,150
Costs recognized in the income statement related to stock options that do not involve	2,264	1,615
Loss (profit) from equity investments	(141)	(113)
Net change in risk funds and allocations for employee benefits	419	7,827
Outlays for tangible fixed assets destined for hire	(5,032)	(2,936)
Proceeds from the sale of fixed assets granted for hire	5,935	1,705
Financial charges (income), net	3,717	5,048
	<b>192,165</b>	<b>138,370</b>
(Increase) decrease in trade receivables and other current assets	(64,510)	35,073
(Increase) decrease in inventories	(29,125)	5,284
Increase (decrease) in trade payables and other current liabilities	64,488	(21,853)
Interest paid	(2,262)	(2,537)
Currency exchange gains	530	(1,317)
Taxes paid	(20,608)	(17,215)
<b>Net cash from operating activities</b>	<b>140,678</b>	<b>135,805</b>
<b>Cash flows from investing activities</b>		
Outlay for the acquisition of equity investments, net of cash received and including treasury shares assigned	(4,174)	(31,061)
Capital expenditure on property, plant and equipment	(32,696)	(28,520)
Proceeds from the sale of tangible fixed assets	1,467	820
Capital expenditure on intangible assets	(2,982)	(1,867)
Received financial income	286	635
Other	(258)	672
<b>Net liquidity used in investing activities</b>	<b>(38,357)</b>	<b>(59,321)</b>
<b>Cash flows from financing activities</b>		
Disbursals (repayments) of loans	875	62,587
Dividends paid	(28,434)	(28,079)
Outlays for purchase of treasury shares	(5,767)	(20,911)
Proceeds from the sale of treasury shares to beneficiaries of stock options	426	13,834
Change in other financial assets	(197)	(472)
Payment of finance leasing installments (principal portion)	(9,235)	(9,460)
<b>Net liquidity generated (used by) financing activities</b>	<b>(42,332)</b>	<b>17,499</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>59,989</b>	<b>93,983</b>

(€/000)	<u>2021</u>	<u>2020</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>59,989</b>	<b>93,983</b>
Exchange differences on translation of liquidity of non-EU companies	2,417	(2,009)
Opening cash and cash equivalents of companies consolidated line by line for the first time	73	48
Cash and cash equivalents at beginning of period	332,578	211,708
<b>Cash and cash equivalents at end of period</b>	<b>395,057</b>	<b>303,730</b>

Cash and cash equivalents can be broken down as follows:

	30/06/2021 €/000	31/12/2020 €/000
Cash and cash equivalents from the statement of financial position	401,412	343,170
Bank payables (current account overdrafts and advances subject to collection)	<u>(6,355)</u>	<u>(10,592)</u>
Cash and cash equivalents from the cash flow statement	<u>395,057</u>	<u>332,578</u>

**Statement of changes in consolidated shareholders' equity**

	Share capital	Legal reserve	Share premium reserve	Reserve for restatement of defined benefit plans	Translation reserve	Other reserves	Group shareholders' equity	Minority interests	Total
<i>Balances at 1 January 2020</i>	55,460	11,323	96,733	(7,358)	7,735	885,446	1,049,339	5,735	1,055,074
Recognition in the income statement of the fair value of stock options assigned and exercisable	-	-	1,615	-	-	-	1,615	-	1,615
Purchase of treasury stock	(399)	-	(20,512)	-	-	-	(20,911)	-	(20,911)
Sale of treasury stock to the beneficiaries of stock options	558	-	13,276	-	-	-	13,834	-	13,834
Sales of treasury stock to pay for equity investments	254	-	13,796	-	-	-	14,050	-	14,050
Minority interest in companies consolidated for the first time	-	-	-	-	-	-	-	4,292	4,292
Dividends paid	-	-	-	-	-	(26,850)	(26,850)	(1,214)	(28,064)
Dividends declared	-	-	-	-	-	(48)	(48)	(1)	(49)
Comprehensive profit (loss) for H1 2020	-	-	-	-	(8,830)	62,517	53,687	654	54,341
<i>Balances at 30 June 2020</i>	55,873	11,323	104,908	(7,358)	(1,095)	921,065	1,084,716	9,466	1,094,182
Recognition in the income statement of the fair value of stock options assigned and exercisable	-	-	304	-	-	-	304	-	304
Purchase of treasury shares	(438)	-	(27,138)	-	-	-	(27,576)	-	(27,576)
Sale of treasury stock to the beneficiaries of stock options	27	-	619	-	-	-	646	-	646
Dividends paid	-	-	-	-	-	(47)	(47)	(148)	(195)
Dividends declared attributable to minority interests	-	-	-	-	-	48	48	(29)	19
Minority interest in companies consolidated for the first time	-	-	-	-	-	-	-	(25)	(25)
Comprehensive profit (loss) for H2 2020	-	-	-	(859)	(26,120)	108,463	81,484	1,138	82,622
<i>Balances at 31 December 2020</i>	55,462	11,323	78,693	(8,217)	(27,215)	1,029,529	1,139,575	10,402	1,149,977
Recognition in the income statement of the fair value of stock options assigned and exercisable	-	-	2,264	-	-	-	2,264	-	2,264
Purchase of treasury stock	(60)	-	(5,707)	-	-	-	(5,767)	-	(5,767)
Sale of treasury stock to the beneficiaries of stock options	17	-	409	-	-	-	426	-	426
Sales of treasury stock to pay for equity investments	39	-	3,036	-	-	-	3,075	-	3,075
Liquidation of subsidiaries	-	-	-	-	-	-	-	(85)	(85)
Dividends paid	-	-	-	-	-	(26,457)	(26,457)	(1,926)	(28,383)
Dividends declared	-	-	-	-	-	(1,295)	(1,295)	(142)	(1,437)
Comprehensive profit (loss) for H1 2021	-	-	-	-	13,453	126,953	140,406	1,743	142,149
<i>Balances at 30 June 2021</i>	55,458	11,323	78,695	(8,217)	(13,762)	1,128,730	1,252,227	9,992	1,262,219

## **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.

Sales 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 June 2021 were approved by the Board of Directors on this day (4 August 2021).

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

The consolidated financial statements at 30 June 2021 were drawn up in compliance with 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 in application of the faculty provided by IAS 34 and therefore they do not include all the information required for annual financial statements drafted in compliance with IFRS standards. Therefore, the consolidated financial statements at 30 June 2020 should be consulted together with the consolidated financial statements for the year ending 31 December 2020.

The accounting principles and criteria adopted in the interim financial statements at 30 June 2021 may conflict with IFRS provisions in force on 31 December 2021 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 Interpretation 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. We draw your attention to the fact that estimates may differ from the effective results, the magnitude of which will only be known 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 2020, with the exception of those adopted as from 1 January 2021 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 2021 and adopted by the Group**

- *Amendments to IFRS 16 “Leases: Covid-19-Related Rent Concessions beyond 30 June 2021”*. On 31 March 2021 the IASB published an amendment to this standard that extends, for one year, the May 2020 amendment that clarifies the circumstances in which a lessee may, as a practical expedient, determine that specific reductions in installments (as a direct consequence of Covid-19) need not be treated as changes in the payment plan and recognize them accordingly. The new amendment is effective from 1 April 2021. The change has not yet been approved by the EU; application of this amendment would not however affect the amounts recorded in the Group’s economic statements and balance sheets for 2021.

**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 this amendment on 23 January 2020 in order to clarify the presentation of liabilities in the statement of financial position. Specifically, it clarifies 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 amendment is applicable from 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact of this amendment on the existing situation.

- *Amendments to IFRS 3 “Business combinations”, IAS 16 “Property, Plant and Equipment”, IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, Annual Improvements 2018-2020*. On 14 May 2020 IASB published a packet of amendments that clarify and make minor changes to the following IFRS standards, while the Annual Improvements 2018-2020 Cycle concern IFRS 1, IFRS 9, and the illustrative examples annexed to IFRS 16:
  - IFRS 3: update of references to the IAS Conceptual Framework (no change in the accounting for business combinations);
  - IAS 16: the amendment clarifies that companies cannot deduct proceeds from the sale of assets produced from the cost of tangible fixed assets while they are preparing them for use. Companies must recognize those sales and the related costs separately in the income statement.
  - IAS 37: the amendment clarifies the costs to be included when measuring the losses generated by a contract.

The new amendments will take effect prospectively from 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 items produced while bringing that asset to the location and condition necessary for it to be 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 applies to annual periods beginning on or after 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.

This amendment is not expected to have a material impact on the Group.

- *Amendments to IAS 37 – “Onerous Contracts – Costs of Fulfilling a Contract”* In May 2020 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. These amendments are effective for annual periods beginning on or after 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 they are applied for the first time.

#### *Annual Improvements 2018-2020 Cycle*

- *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 IFRS. This amendment also applies to associates and joint ventures that elect to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted.
- *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 is effective for annual periods beginning on or after 1 January 2022. Early application is permitted. The Group will apply this amendment to those financial liabilities that are amended or exchanged subsequent to or at the start of the financial year in which it is applied for the first time. This amendment is not expected to have a material impact on the Group.
- *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 is effective for reporting periods beginning on or after 1 January 2023. Early application is permitted.

- *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 is effective for reporting periods beginning on or after 1 January 2023. Early application is permitted.
- *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.

The amendment will be effective for reporting periods beginning on or after 1 January 2023. Early application is permitted.

**Notes to the consolidated financial statements at 30 June 2021**

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## 1. Scope of consolidation and goodwill

The consolidation basis at 30 June 2021 includes 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 30/06/2021</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)	Dudingen (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)	1	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	65.00%
Teknova S.r.l. (in liquidation)	Reggio Emilia	28	Water Jetting	100.00%
Interpump Hydraulics S.p.A.	Calderara di Reno (BO)	2,632	Hydraulic	100.00%
AVI S.r.l. (17)	Varedo (MB)	10	Hydraulic	100.00%
Contarini Leopoldo S.r.l. (4)	Lugo (RA)	47	Hydraulic	100.00%
Unidro Contarini S.a.s. (5)	Barby (France)	8	Hydraulic	100.00%
Copa Hydrosystem Ood (5)	Troyan (Bulgaria)	3	Hydraulic	100.00%
Hydrocar Chile S.A. (4)	Santiago (Chile)	129	Hydraulic	90.00%
Hydroven S.r.l. (4)	Tezze sul Brenta (VI)	200	Hydraulic	100.00%
Interpump Hydraulics Brasil Ltda (4)	Caxia do Sul (Brazil)	15,126	Hydraulic	100.00%
Interpump Hydraulics France S.a.r.l. (4)	Ennery (France)	76	Hydraulic	99.77%
Interpump Hydraulics India Private Ltd (4)	Hosur (India)	682	Hydraulic	100.00%
Interpump Hydraulics Middle East FZE (4)	Dubai (UAE)	326	Hydraulic	100.00%
Interpump South Africa Pty Ltd (4)	Johannesburg (South Africa)	-	Hydraulic	100.00%

*Interim Board of Directors' Report at 30 June 2021 – Interpump Group*

<i>Company</i>	<i>Head office</i>	<i>Share capital €/000</i>	<i>Sector</i>	<i>% held at 30/06/2021</i>
Interpump Hydraulics (UK) Ltd. (4)	Kidderminster (United Kingdom)	13	Hydraulic	100.00%
Mega Pacific Pty Ltd (6)	Newcastle (Australia)	335	Hydraulic	65.00%
Mega Pacific NZ Pty Ltd (6)	Mount Maunganui (New Zealand)	557	Hydraulic	65.00%
Muncie Power Prod. Inc. (4)	Muncie (USA)	784	Hydraulic	100.00%
American Mobile Power Inc. (7)	Fairmount (USA)	3,410	Hydraulic	100.00%
Hydra Dyne Tech Inc (7)	Ingersoll (Canada)	80	Hydraulic	75.00%
Oleodinamica Panni S.r.l. (4)	Tezze sul Brenta (VI)	2,000	Hydraulic	100.00%
Wuxi Interpump Weifu Hydraulics Company Ltd (4)	Wuxi (China)	2,095	Hydraulic	65.00%
IMM Hydraulics S.p.A. (4)	Atessa (Switzerland)	520	Hydraulic	100.00%
Hypress France S.a.r.l. (8)	Strasbourg (France)	162	Hydraulic	100.00%
Interpump Fluid Solutions Germany GmbH (8)	Meinerzhagen (Germany)	52	Hydraulic	100.00%
IMM Hydro Est (8)	Catcau Cluj Napoca (Romania)	3,155	Hydraulic	100.00%
FGA S.r.l. (8)	Fossacesia (CH)	10	Hydraulic	100.00%
Innovativ Gummi Tech S.r.l. (8)	Ascoli Piceno (AP)	25	Hydraulic	60.00%
Tekno Tubi S.r.l. (8)	Terre del Reno (FE)	100	Hydraulic	100.00%
Tubiflex S.p.A.	Orbassano (TO)	515	Hydraulic	100.00%
Walvoil S.p.A.	Reggio Emilia	7,692	Hydraulic	100.00%
Walvoil Fluid Power Corp. (9)	Tulsa (USA)	137	Hydraulic	100.00%
Walvoil Fluid Power (India) Pvt. Ltd. (9)	Bangalore (India)	4,803	Hydraulic	100.00%
Walvoil Fluid Power Korea Llc. (9)	Pyeongtaek (South Korea)	453	Hydraulic	100.00%
Walvoil Fluid Power France S.a.r.l. (9)	Vritz (France)	10	Hydraulic	100.00%
Walvoil Fluid Power Australasia (9)	Melbourne (Australia)	7	Hydraulic	100.00%
Galtech Canada Inc. (9)	Terrebonne, Quebec (Canada)	76	Hydraulic	100.00%
HTIL (9)	Hong Kong	98	Hydraulic	100.00%
Walvoil Fluid Power (Dongguan) Co., Ltd (9)	Dongguan (China)	3,720	Hydraulic	100.00%
Reggiana Riduttori S.r.l.	S. Polo d'Enza (RE)	6,000	Hydraulic	100.00%
RR USA Inc. (13)	Boothwyn (USA)	1	Hydraulic	100.00%
RR Canada Inc. (13)	Vaughan (Canada)	1	Hydraulic	100.00%
RR Holland BV (13)	Oosterhout (Netherlands)	19	Hydraulic	100.00%
RR France S.a.r.l. (13)	Thouare sur Loire (France)	400	Hydraulic	95.00%
RR Slovakia A.S. (13)	Zvolen (Slovakia)	340	Hydraulic	100.00%
RR Pacific Pty Ltd (13)	Victoria (Australia)	-	Hydraulic	100.00%
RR India Pvt. Ltd (13)	New Delhi (India)	52	Hydraulic	99.99%
Reggiana Riduttori (Suzhou) Co. Ltd (13)	Suzhou (China)	200	Hydraulic	100.00%
Transtecno S.r.l.	Anzola dell'Emilia (BO)	100	Hydraulic	60.00%
Intecno S.r.l. (14)	Anzola dell'Emilia (BO)	10	Hydraulic	81.00%
Hangzhou Transtecno Power Transmissions Co. Ltd (14)	Hangzhou (China)	575	Hydraulic	72.00%
Transtecno Iberica the Modular Gearmotor S.A. (14)	Gava (Spain)	94	Hydraulic	50.40%
MA Transtecno S.A.P.I. de C.V. (14)	Apodaca (Mexico)	124	Hydraulic	50.40%
Transtecno USA LLC (16)	Miami (USA)	3	Hydraulic	100.00%
Transtecno BV (14)	Amersfoort (Netherlands)	18	Hydraulic	51.00%
Transtecno Aandrijftechniek (Netherlands) (15)	Amersfoort (Netherlands)	-	Hydraulic	51.00%
Interpump Piping GS S.r.l.	Reggio Emilia	10	Hydraulic	100.00%
GS-Hydro Singapore Pte Ltd (10)	Singapore	624	Hydraulic	100.00%
GS-Hydro Korea Ltd. (10)	Busan (South Korea)	1,892	Hydraulic	100.00%

*Interim Board of Directors' Report at 30 June 2021 – Interpump Group*

<u>Company</u>	<u>Head office</u>	<u>Share capital</u> <u>€/000</u>	<u>Sector</u>	<u>% held</u> <u>at 30/06/2021</u>
GS-Hydro Piping Systems (Shanghai) Co. Ltd. (11)	Shanghai (China)	2,760	Hydraulic	100.00%
GS-Hydro Benelux B.V. (10)	Barendrecht (Netherlands)	18	Hydraulic	100.00%
GS-Hydro Austria GmbH (10)	Pashing (Austria)	40	Hydraulic	100.00%
GS-Hydro Sp Z O O (Poland) (10)	Gdynia (Poland)	1,095	Hydraulic	100.00%
GS Hydro Denmark AS (10)	Kolding (Denmark)	67	Hydraulic	100.00%
GS-Hydro S.A.U (Spain) (10)	Las Rozas (Spain)	90	Hydraulic	100.00%
Suministros Franquesa S.A. (18)	Lleida (Spain)	160	Hydraulic	100.00%
GS-Hydro U.S. Inc. (7)	Houston (USA)	9,903	Hydraulic	100.00%
GS-Hydro do Brasil Sistemas Hidraulicos Ltda (10)	Rio de Janeiro (Brazil)	252	Hydraulic	100.00%
GS-Hydro System GmbH (Germany) (10)	Witten (Germany)	179	Hydraulic	100.00%
GS- Hydro UK Ltd (10)	Sunderland (United Kingdom)	5,095	Hydraulic	100.00%
GS-Hydro Ab (Sweden) (10)	Kista (Sweden)	120	Hydraulic	100.00%
GS-Hydro Hong Kong Ltd (1)	Hong Kong	1	Hydraulic	100.00%
IMM Hydraulics Ltd (dormant) (6)	Kidderminster (United Kingdom)	-	Hydraulic	100.00%
Bristol Hose Ltd (dormant) (6)	Bristol (United Kingdom)	-	Hydraulic	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 Inoxihp S.r.l.

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

With respect to 2020, the 2021 consolidation now includes DZ Trasmissioni, Suministros Franquesa and Servizi Industriali; their contribution is not significant in volume terms and is negligible in comparison with H1 2020.

The minority quotaholder of Inoxihp S.r.l. is entitled to dispose of its holdings starting from the approval of the 2025 financial statements up to the 2035 financial statements, on the basis of the average results of the company in the last two financial statements for the years ended before the exercise of the option. Likewise, the minority shareholder of Mega Pacific Pty Ltd and of Mega Pacific NZ Pty Ltd is entitled and required to sell its shares within 90 days of 29 July 2021, based on the results of the last financial statements published before exercise of the option. The minority shareholder of Inoxpa Solution Moldova is entitled 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. is entitled and required to dispose of its holdings during 2022 or during 2024, based on the results for the year prior to that in which the option is exercised. Furthermore, Interpump Group S.p.A. is required to purchase the residual 20% interest in Servizi Industriali S.r.l., commencing from 2024.

In compliance with the requirements of IFRS 10 and IFRS 3, Inoxihp, Mega Pacific Australia, Mega Pacific New Zealand, Inoxpa Solution Moldova, Hydra Dyne, Transtecno and Servizi Industriali have been consolidated in full, recording a payable representing the

estimated 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.

Changes in goodwill in H1 2021 are as follows:

<u>Company:</u>	<u>Balance at 31/12/2020</u>	<u>Increases (Decreases) in the year</u>	<u>Changes due to foreign exchange differences</u>	<u>Balance at 30/06/2021</u>
Water Jetting Sector	210,570	-	1,200	211,770
Hydraulic Sector	<u>338,598</u>	<u>2,546</u>	<u>1,638</u>	<u>342,782</u>
<i>Total goodwill</i>	<u>549,168</u>	<u>2,546</u>	<u>2,838</u>	<u>554,552</u>

The increases during 2021 mainly reflect the acquisition of DZ Trasmissioni.

## 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, and pipes of various types, and also for removing burrs, cutting and removing cement, asphalt, and paint from stone, concrete 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 production and sale of power take-offs, hydraulic cylinders and pumps, directional controls, valves, rotary unions, hydraulic hoses and fittings, reducers and other hydraulic components. Power take-offs are mechanical devices designed to transmit drive from an industrial vehicle engine or transmission to power a range of auxiliary services through hydraulic components. 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 to 30 June (six months)**

	Hydraulic		Water Jetting		Elimination entries		Interpump Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales external to the Group	550,006	429,612	231,048	209,924			781,054	639,536
Sales between sectors	496	527	2,683	925	(3,179)	(1,452)	-	-
<b>Total net sales</b>	<b>550,502</b>	<b>430,139</b>	<b>233,731</b>	<b>210,849</b>	<b>(3,179)</b>	<b>(1,452)</b>	<b>781,054</b>	<b>639,536</b>
Cost of sales	(369,428)	(294,695)	(126,743)	(118,369)	3,187	1,414	(492,984)	(411,650)
<b>Gross industrial margin</b>	<b>181,074</b>	<b>135,444</b>	<b>106,988</b>	<b>92,480</b>	<b>8</b>	<b>(38)</b>	<b>288,070</b>	<b>227,886</b>
<i>% on net sales</i>	<i>32.9%</i>	<i>31.5%</i>	<i>45.8%</i>	<i>43.9%</i>			<i>36.9%</i>	<i>35.6%</i>
Other net revenues	7,972	6,439	3,899	2,778	(485)	(353)	11,386	8,864
Distribution costs	(37,193)	(34,876)	(24,859)	(24,088)	284	163	(61,768)	(58,801)
General and administrative expenses	(51,448)	(47,458)	(28,752)	(28,502)	193	228	(80,007)	(75,732)
Other operating costs	(2,490)	(6,881)	(1,013)	(3,369)	-	-	(3,503)	(10,250)
<b>Ordinary profit before financial charges</b>	<b>97,915</b>	<b>52,668</b>	<b>56,263</b>	<b>39,299</b>	<b>-</b>	<b>-</b>	<b>154,178</b>	<b>91,967</b>
<i>% on net sales</i>	<i>17.8%</i>	<i>12.2%</i>	<i>24.1%</i>	<i>18.6%</i>			<i>19.7%</i>	<i>14.4%</i>
Financial income	5,858	4,494	2,437	3,098	(682)	(725)	7,613	6,867
Financial charges	(9,669)	(8,725)	(2,343)	(3,915)	682	725	(11,330)	(11,915)
Dividends	-	-	44,050	39,700	(44,050)	(39,700)	-	-
Equity method contribution	80	64	61	49	-	-	141	113
<b>Profit for the period before taxes</b>	<b>94,184</b>	<b>48,501</b>	<b>100,468</b>	<b>78,231</b>	<b>(44,050)</b>	<b>(39,700)</b>	<b>150,602</b>	<b>87,032</b>
Income taxes	(6,882)	(14,400)	(15,388)	(9,164)	-	-	(22,270)	(23,564)
<b>Consolidated profit for the period</b>	<b>87,302</b>	<b>34,101</b>	<b>85,080</b>	<b>69,067</b>	<b>(44,050)</b>	<b>(39,700)</b>	<b>128,332</b>	<b>63,468</b>
<b>Pertaining to:</b>								
Parent company's shareholders	86,172	33,256	84,831	68,961	(44,050)	(39,700)	126,953	62,517
Subsidiaries' minority shareholders	1,130	845	249	106	-	-	1,379	951
<b>Consolidated profit for the period</b>	<b>87,302</b>	<b>34,101</b>	<b>85,080</b>	<b>69,067</b>	<b>(44,050)</b>	<b>(39,700)</b>	<b>128,332</b>	<b>63,468</b>
<b>Further information required by IFRS 8</b>								
Amortization, depreciation and write-downs	27,471	28,109	10,312	11,041	-	-	37,783	39,150
Other non-monetary costs	2,290	6,352	1,510	4,178	-	-	3,800	10,530

## Interpump Group business sector information

(Amounts shown in €(000))

Q2

	Hydraulic		Water Jetting		Elimination entries		Interpump Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales external to the Group	283,121	194,664	122,364	100,901	-	-	405,485	295,565
Sales between sectors	298	251	1,446	479	(1,744)	(730)	-	-
<b>Total net sales</b>	<b>283,419</b>	<b>194,915</b>	<b>123,810</b>	<b>101,380</b>	<b>(1,744)</b>	<b>(730)</b>	<b>405,485</b>	<b>295,565</b>
Cost of sales	(188,649)	(132,416)	(67,012)	(58,633)	1,748	713	(253,913)	(190,336)
<b>Gross industrial margin</b>	<b>94,770</b>	<b>62,499</b>	<b>56,798</b>	<b>42,747</b>	<b>4</b>	<b>(17)</b>	<b>151,572</b>	<b>105,229</b>
<i>% on net sales</i>	<i>33.4%</i>	<i>32.1%</i>	<i>45.9%</i>	<i>42.2%</i>			<i>37.4%</i>	<i>35.6%</i>
Other net revenues	4,187	2,952	1,984	1,375	(327)	(229)	5,844	4,098
Distribution costs	(19,291)	(16,344)	(12,862)	(10,949)	229	141	(31,924)	(27,152)
General and administrative expenses	(26,626)	(22,732)	(14,736)	(13,493)	94	105	(41,268)	(36,120)
Other operating costs	(1,219)	(2,869)	(515)	(1,409)	-	-	(1,734)	(4,278)
<b>Ordinary profit before financial charges</b>	<b>51,821</b>	<b>23,506</b>	<b>30,669</b>	<b>18,271</b>	<b>-</b>	<b>-</b>	<b>82,490</b>	<b>41,777</b>
<i>% on net sales</i>	<i>18.3%</i>	<i>12.1%</i>	<i>24.8%</i>	<i>18.0%</i>			<i>20.3%</i>	<i>14.1%</i>
Financial income	2,026	1,052	873	1,479	(346)	(366)	2,553	2,165
Financial charges	(6,483)	(2,213)	(1,036)	(1,357)	346	366	(7,173)	(3,204)
Dividends	-	-	43,900	39,700	(43,900)	(39,700)	-	-
Equity method contribution	28	27	44	23	-	-	72	50
<b>Profit for the period before taxes</b>	<b>47,392</b>	<b>22,372</b>	<b>74,450</b>	<b>58,116</b>	<b>(43,900)</b>	<b>(39,700)</b>	<b>77,942</b>	<b>40,788</b>
Income taxes	5,593	(6,053)	(8,990)	(4,563)	-	-	(3,397)	(10,616)
<b>Consolidated profit for the period</b>	<b>52,985</b>	<b>16,319</b>	<b>65,460</b>	<b>53,553</b>	<b>(43,900)</b>	<b>(39,700)</b>	<b>74,545</b>	<b>30,172</b>
<b>Pertaining to:</b>								
Parent company's shareholders	52,424	15,650	65,337	53,431	(43,900)	(39,700)	73,861	29,381
Subsidiaries' minority shareholders	561	669	123	122	-	-	684	791
<b>Consolidated profit for the period</b>	<b>52,985</b>	<b>16,319</b>	<b>65,460</b>	<b>53,553</b>	<b>(43,900)</b>	<b>(39,700)</b>	<b>74,545</b>	<b>30,172</b>
<b>Further information required by IFRS 8</b>								
Amortization, depreciation and write-downs	13,796	14,646	5,161	5,473	-	-	18,957	20,119
Other non-monetary costs	1,079	2,486	814	1,871	-	-	1,893	4,357

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

	Hydraulic		Water Jetting		Elimination entries		Interpump Group	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<b>Assets of the sector (A)</b>	<b>1,344,713</b>	<b>1,232,414</b>	<b>763,822</b>	<b>704,940</b>	<b>(156,885)</b>	<b>(131,234)</b>	<b>1,951,650</b>	<b>1,806,120</b>
Cash and cash equivalents							401,412	343,170
<b>Total assets</b>							<b>2,353,062</b>	<b>2,149,290</b>
<b>Liabilities of the sector (B)</b>	<b>446,583</b>	<b>353,588</b>	<b>127,468</b>	<b>101,603</b>	<b>(156,885)</b>	<b>(131,234)</b>	<b>417,166</b>	<b>323,957</b>
Debts for the payment of investments							65,555	62,686
Bank payables							6,355	10,592
Interest-bearing financial payables							601,767	602,078
<b>Total liabilities</b>							<b>1,090,843</b>	<b>999,313</b>
<b>Total assets, net (A-B)</b>	<b>898,130</b>	<b>878,826</b>	<b>636,354</b>	<b>603,337</b>			<b>1,534,484</b>	<b>1,482,163</b>
<b>Further information required by IFRS 8</b>								
Investments carried equity	414	998	351	270			765	1,268
Non-current assets other than financial assets and deferred tax assets	726,250	718,913	361,505	353,092			1,087,755	1,072,005

Cash flows by business sector for H1 are as follows:

€/000	Hydraulic		Water Jetting		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from:						
Operating activities	94,812	96,191	45,866	39,614	140,678	135,805
Investing activities	(24,999)	(23,187)	(13,358)	(36,134)	(38,357)	(59,321)
Financing activities	<u>(31,858)</u>	<u>(13,173)</u>	<u>(10,474)</u>	<u>30,672</u>	<u>(42,332)</u>	<u>17,499</u>
Total	<u>37,955</u>	<u>59,831</u>	<u>22,034</u>	<u>34,152</u>	<u>59,989</u>	<u>93,983</u>

The investing activities of the Hydraulic Sector included €2,870k associated with the acquisition of equity investments (€1,064k in H1 2020). The investing activities of the Water Jetting Sector include outlays of €1,304k associated with the acquisition of equity investments (€29,997k in H1 2020).

The cash flows deriving from the financing activities of the Water Jetting Sector in 2020 included proceeds from the sale of treasury shares to the beneficiaries of stock options totaling €426k (€13,834k in H1 2020) and outlays for the purchase of treasury shares amounting to €5,767k (€13,834k in H1 2020). Financing activities of the Hydraulic Sector included the payment of dividends to Water Jetting Sector companies totalling €23,970k (€20,761k in H1 2020).

### 3. Acquisition of equity investments

On 14 January 2021 the acquisition was signed for 100% of DZ Trasmissioni S.r.l., active in the design, production and sale of right-angle drives, activities that are highly synergic with those of the Group. Solely for accounting purposes, 1 January 2021 was designated as the acquisition date, there being no significant differences between then and the actual acquisition date.

The provisional purchase price allocation at 30 June 2021 is presented below.

€/000	Amount: acquired	Adjustments to fair value at <i>fair value</i>	Carrying values in the acquiring company
Cash and cash equivalents	1,765	-	1,765
Trade receivables	1,215	-	1,215
Inventories	3,155	-	3,155
Tax receivables	33	-	33
Other current assets	48	-	48
Property, plant and equipment	1,529	-	1,529
Other intangible assets	2	-	2
Deferred tax assets	232	-	232
Other non-current assets	13	-	13
Trade payables	(958)	-	(958)
Bank payables	(1)	-	(1)
Tax payables	(77)	-	(77)
Other current liabilities	(178)	-	(178)
Leasing payables (non-current portion)	(1,189)	-	(1,189)
Deferred tax liabilities	(1)	-	(1)
Employee benefits (severance indemnity provision)	(281)	-	(281)
Net assets acquired	<u>5,307</u>	=	5,307
Goodwill related to the acquisition			<u>2,384</u>
<b>Total net assets acquired</b>			<b><u>7,691</u></b>
Total amount paid in cash			4,616
Amount paid by assigning treasury shares			<u>3,075</u>
<b>Total acquisition cost (A)</b>			<b><u>7,691</u></b>
Net financial position acquired (B)			(575)
Total amount paid in cash			<u>4,616</u>
Total change in net financial position			<u>4,041</u>
<b>Capital employed (A) - (B)</b>			<b><u>7,116</u></b>

The transaction was recorded using the acquisition method.

#### 4. Inventories and detail of changes in the Inventories allowance

	30/06/2021	31/12/2020
	€/000	€/000
Inventories gross value	455,085	414,162
Allowance for inventories	<u>(39,748)</u>	<u>(37,566)</u>
Inventories	<u>415,337</u>	<u>376,596</u>

Changes in the allowance for inventories were as follows:

	H1 2021	Year 2020
	€/000	€/000
Opening balances	37,566	38,805
Exchange rate difference	459	(1,240)
Change in consolidation basis	670	712
Provisions for the period	1,605	3,388
Releases in the period to cover losses	(404)	(2,977)
Release of excess provisions in the period	<u>(148)</u>	<u>(1,122)</u>
Closing balance	<u>39,748</u>	<u>37,566</u>

#### 5. Property, plant and equipment

##### *Purchases and disposals*

In H1 2021 Interpump Group purchased assets for €45,360k, of which €1,811k through the acquisition of equity investments (€42,064k in H1 2020, of which €13,431k through the acquisition of equity investments). In H1 2021 assets were divested for a net carrying value of €4,059k (€1,589k H1 2020) Divested assets generated a net capital gain of €3,382k (€958k in H1 2020)

##### *Contractual commitments*

At 30 June 2021 the Group had contractual commitments for the purchase of tangible fixed assets totalling €10,960k (€924k at 30 June 2020). The change versus 2020 mainly reflects commitments signed for the construction of new buildings.

#### 6. Shareholders' equity

##### *Share capital*

Share capital comprises 108,879,294 ordinary shares with a unit par value of EUR 0.52 totaling EUR 56,617,232.88. Share capital is recorded in the financial statements for €55,458k, because the nominal value of purchased treasury shares, net of divested shares, was deducted from share capital in compliance with the reference accounting standards. At 30 June 2021 Interpump S.p.A. held 2,229,256 treasury shares in the portfolio corresponding to 2.047% of the capital stock, acquired at an average unit cost of EUR 29.2765.

##### *Treasury shares purchased*

The amount of the treasury shares held by Interpump Group S.p.A. is recorded in an equity reserve. The Interpump Group purchased 115,000 treasury shares for €5,767k in H1 2021 (767,500 treasury shares purchased in H1 2020 for €20,911k).

*Treasury shares sold*

In relation to stock option plans, a total of 33,100 options were exercised resulting in the receipt of €426k (1,073,700 options exercised in H1 2020, generating receipts of €13,834k). Moreover, 75,000 treasury shares were transferred in 2021 as payment for equity investments (488,533 shares divested in H1 2020).

An ordinary dividend (coupon clipping date of 24 May) of EUR 0.26 per share was distributed on 26 May 2021 (EUR 0.25 in 2020).

**7. Financial income and charges**

The breakdown for the first half is shown below:

	2021	2020
	€/000	€/000
<u>Financial income</u>		
Interest income from cash on hand	287	241
Interest income from other assets	36	202
Foreign exchange gains	6,755	5,349
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	503	679
Other financial income	<u>32</u>	<u>396</u>
Total financial income	<u>7,613</u>	<u>6,867</u>
<u>Financial charges</u>		
Interest expense on bank loans	702	1,137
Interest expense on lease agreements	1,056	1,260
Interest expense on put options	254	465
Financial charges for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	3,974	29
Foreign exchange losses	5,040	8,905
Other financial charges	<u>304</u>	<u>119</u>
Total financial charges	<u>11,330</u>	<u>11,915</u>
Total financial charges (income), net	<u>3,717</u>	<u>5,048</u>



The breakdown for Q2 is as follows:

	2021 €/000	2020 €/000
<b>Financial income</b>		
Interest income from cash on hand	147	118
Interest income from other assets	19	187
Foreign exchange gains	1,868	1,126
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	501	679
Other financial income	<u>18</u>	<u>55</u>
Total financial income	<u>2,553</u>	<u>2,165</u>
<b>Financial charges</b>		
Interest expense on bank loans	303	594
Interest expense on lease agreements	505	602
Interest expense on put options	140	330
Financial charges for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	3,974	29
Foreign exchange losses	2,162	1,619
Other financial charges	<u>89</u>	<u>30</u>
Total financial charges	<u>7,173</u>	<u>3,204</u>
Total financial charges (income), net	<u>4,620</u>	<u>1,039</u>

## 8. 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:

	2021	2020
<b>H1</b>		
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>126,593</u>	<u>65,517</u>
Average number of shares in circulation	106,728,552	107,126,799
Basic earnings per share for the period (€)	<u>1.189</u>	<u>0.584</u>
<b>Q2</b>		
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>73,861</u>	<u>29,381</u>
Average number of shares in circulation	106,720,066	107,489,691
Basic earnings per share for the quarter (EUR)	<u>0.692</u>	<u>0.273</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>H1</i>	<u>2021</u>	<u>2020</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>126,953</u>	<u>62,517</u>
Average number of shares in circulation	106,728,552	107,126,799
Number of potential shares for stock option plans (*)	<u>1,189,892</u>	<u>392,010</u>
Average number of shares (diluted)	<u>107,918,444</u>	<u>107,518,809</u>
Earnings per diluted share for the period (€)	<u>1.176</u>	<u>0.581</u>
 <i>Q2</i>	 <u>2021</u>	 <u>2020</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>73,861</u>	<u>29,381</u>
Average number of shares in circulation	106,720,066	107,489,691
Number of potential shares for stock option plans (*)	<u>1,298,672</u>	<u>394,424</u>
Average number of shares (diluted)	<u>108,018,738</u>	<u>107,884,115</u>
Earnings per diluted share for the quarter (€)	<u>0.684</u>	<u>0.272</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.

**9. 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 Group's consolidated income statements for H1 2021 and H1 2020 are shown below:

	H1 2021					%
	Consolidated	Non-consolidated	Associates	Other related	Total related	
(€/000)	Total	subsidiaries		parties	parties	incidence on F.S. caption
Net sales	781,054	1,254	-	237	1,491	0.2%
Cost of sales	492,984	481	-	4,024	4,505	0.9%
Other revenues	11,386	3	-	-	3	0.0%
Distribution costs	61,768	17	-	376	393	0.6%
G&A expenses	80,007	-	-	291	291	0.4%
Financial charges	11,330	-	-	219	219	1.9%

	H1 2020					%
	Consolidated	Non-consolidated	Associates	Other related	Total related	
(€/000)	Total	subsidiaries		parties	parties	incidence on F.S. caption
Net sales	639,536	660	-	198	858	0.1%
Cost of sales	411,650	368	-	3,291	3,659	0.9%
Other revenues	8,864	2	-	-	2	0.0%
Distribution costs	58,801	23	-	325	348	0.6%
G&A expenses	75,732	-	-	291	291	0.4%
Financial charges	11,915	-	-	258	258	2.2%

The effects on the consolidated balance sheet at 30 June 2021 and 2020 are described below:

	30 June 2021					%
	Consolidated	Non-consolidated	Associates	Other related	Total related	
(€/000)	Total	subsidiaries		parties	parties	incidence on F.S. caption
Trade receivables	333,159	2,160	-	260	2,420	0.7%
Trade payables	209,313	104	-	1,455	1,559	0.7%
Provision for short-term risks and charges	4,524	242		-	242	5.3%
Interest-bearing financial payables (current and non-current portions)	601,767		-	24,267	24,267	4.0%

	30 June 2020					%
	Consolidated	Non-consolidated	Associates	Other related	Total related	
(€/000)	Total	subsidiaries		parties	parties	incidence on F.S. caption
Trade receivables	254,238	2,011	-	1,334	3,345	1.3%
Other financial assets	1,973	2	-	-	2	0.1%
Trade payables	133,115	68	-	1,356	1,424	1.1%
Interest-bearing financial payables (current and non-current portions)	647,885	-	-	25,651	25,651	4.0%

*Relations with non-consolidated subsidiaries*

Relations with non-consolidated subsidiaries are as follows:

(€/000)	Receivables		Revenues	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>2021</u>	<u>2020</u>
Interpump Hydraulics Perù	1,054	1,169	132	29
General Pump China Inc.	651	329	432	225
Interpump Hydraulics Russia	<u>455</u>	<u>513</u>	<u>693</u>	<u>408</u>
<i>Total subsidiaries</i>	<u>2,160</u>	<u>2,011</u>	<u>1,257</u>	<u>662</u>

(€/000)	Payables		Costs	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>2021</u>	<u>2020</u>
General Pump China Inc.	104	63	475	387
Interpump Hydraulics Perù	-	1	23	-
Interpump Hydraulics Russia	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
<i>Total subsidiaries</i>	<u>104</u>	<u>68</u>	<u>498</u>	<u>391</u>

(€/000)	Loans		Financial income	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>2021</u>	<u>2020</u>
Inoxpa Poland Sp ZOO	=	<u>2</u>	=	=
<i>Total subsidiaries</i>	=	<u>2</u>	=	=

*Relations with associates*

The Group does not hold investments in associated companies.

*Transactions with other related parties*

The H1 2021 income statement includes consultancy provided by entities associated with Group directors and statutory auditors totaling €11k (€37k in H1 2020). The consultancy costs were entirely booked under general and administrative expenses in H1 2021 (€30k under distribution costs and €7k under general and administrative expenses in H1 2020). Revenues from sales at 30 June 2021 included revenues from sales to companies held by the shareholders or directors of Group companies in the amount of €237k (€198k at 30 June 2020). In addition, the cost of sales includes purchases made from companies controlled by minority shareholders or directors of Group companies for €3,757k (€3,055k in H1 2020).

## 10. Information on financial assets and liabilities

Financial assets and liabilities, broken down by the categories identified by IFRS 7, are summarized in the following table:

(€/000)	<i>Financial assets at 30/06/2021</i>			<i>Financial liabilities at 30/06/2021</i>	
	Fair value recognized in the income statement		Measured at amortized cost	Measured at amortized cost	Total
	Initially	Subsequently			
Trade receivables	-	-	333,159	-	333,159
Other current assets	-	-	6,382	-	6,382
Other non-current financial	1,967	-	-	-	1,967
Trade payables	-	-	-	(209,313)	(209,313)
Bank payables	-	-	-	(6,184)	(6,184)
Interest-bearing interest-bearing financial payables	-	-	-	-	-
Other current liabilities	-	-	-	(197,367)	(197,367)
				(128,749)	(128,749)
Non-current interest-bearing financial payables	-	-	-	-	-
Other non-current financial assets	-	-	-	(422,980)	(422,980)
	-	-	-	(24,069)	(24,069)
Total	<u>1,967</u>	-	<u>339,541</u>	-	<u>(970,082)</u>

(€/000)	<i>Financial assets at 31/12/2020</i>			<i>Financial liabilities at 31/12/2020</i>	
	Fair value recognized in the income statement		Measured at amortized cost	Measured at amortized cost	Total
	Initially	Subsequently			
Trade receivables	-	-	261,707	-	261,707
Other current assets	-	-	5,124	-	5,124
Other non-current financial	2,269	-	-	-	2,269
Trade payables	-	-	-	(154,098)	(154,098)
Bank payables	-	-	-	(10,317)	(10,317)
Interest-bearing interest-bearing financial payables	-	-	-	-	-
Other current liabilities	-	-	-	(181,603)	(181,603)
				(71,961)	(71,961)
Non-current interest-bearing financial payables	-	-	-	-	-
Other non-current financial assets	-	-	-	(420,475)	(420,475)
	-	-	-	(58,323)	(58,323)
Total	<u>2,269</u>	-	<u>266,831</u>	-	<u>(896,777)</u>

## 11. Disputes, Contingent liabilities and Contingent assets

The Parent company and some of its subsidiaries are directly involved in lawsuits for 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 2020.

## **Attestation of the condensed half-year consolidated financial statements pursuant to art. 154 bis of Decree 58/98**

1. The undersigned, Fulvio Montipò and Carlo Banci, respectively Chief Executive Officer and Chief Reporting Officer of Interpump Group S.p.A., taking account also of the provisions of art. 154-bis, subsections 3 and 4, of Decree no. 58 of 24 February 1998, hereby attest to:

- the adequacy in relation to the characteristics of the business, and
- the effective application

of the administrative and accounting procedures for the formation of the condensed half-year consolidated financial statements in H1 2021.

2. It is also confirmed that:

2.1 the half-year consolidated financial statements of Interpump Group S.p.A. and its subsidiaries at 30 June 2021, which show consolidated total assets of €2,353,062k, consolidated net profit of €128,332k and consolidated shareholders' equity of €1,262,219k:

- were prepared in compliance with the international accounting standards endorsed by the European Commission pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and, in particular, with *IAS 34 - Interim Financial Reporting*, and the enabling regulations for art. 9 of Decree no. 38/2005;
- correspond to the results of the company books and accounting entries;
- are capable of providing a truthful and fair representation of the equity, economic and financial situation of the issuer and the group of companies included in the scope of consolidation;

2.2 the interim board of directors' report on operations contains references to the key events that occurred in H1 and their influence on the condensed half-year consolidated financial statements, together with a description of the main risks and uncertainties relating to the remaining months of the year and information on significant transactions conducted with related parties.

Sant'Ilario d'Enza (RE), 4 August 2021

Chairman and Chief Executive Officer  
Fulvio Montipò

Chief Reporting Officer  
Carlo Banci

## Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of  
Interpump Group S.p.A.

### Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated income statements, the comprehensive consolidated income statements, the statement of changes in consolidated shareholders' equity and consolidated cash flow statements and the related explanatory notes of Interpump Group S.p.A. and its subsidiaries (the "Interpump Group") as of 30 June 2021. The Directors of Interpump Group S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Interpump Group as of June 30, 2021 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, August 5, 2021

EY S.p.A.  
Signed by: Elisa Vicenzi, Statutory Auditor

*This report has been translated into the English language solely for the convenience of international readers*

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