Interpump Group S.p.A.

"Third Quarter 2026 Financial Results Conference Call"

Friday, November13, 2026, 16:00 CET

MODERATORS: FABIO MARASI, CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

FEDERICO PAVESI, HEAD OF INVESTOR RELATIONS

OPERATOR: Good afternoon. This is the Chorus Call conference operator. Welcome and thank you for joining the Interpump Third Quarter 2026 Financial Results Conference Call. As a reminder, all participants are in a listen-only mode, and after the presentation, there will be an opportunity to ask questions. Should anyone need assistance during the conference call, they may signal an operator by pressing "*" and "0" on their telephone.

At this time, I would like to turn the conference over to Mr. Federico Pavesi, Head of Investor Relations of Interpump. Please go ahead, sir.

FEDERICO PAVESI: Thanks. I'm Federico Pavesi, Head of IR at Interpump Group. Welcome to the Interpump 2026 third quarter financial results conference call. We are pleased to have you join us and look forward to discussing the third quarter results.

Our conference call contains forward-looking statements, which are subject to risks and uncertainties that may cause actual results to differ from those discussed today.

Please be aware of the cautionary language that is included in our forward-looking statements included in the material distributed today. For example, you can find it in the appendix of the presentation, Slide 30.

Now, I will hand the conference over to Mr. Marasi, Interpump's CEO.

FABIO MARASI: Thank you, Mr. Pavesi. I will start by commenting our consolidated results in Slide 2, which reflect our guidance and expectations. In the third quarter, group sales were up by 3.8% organically year-over-year with opposite trends within our divisions. Hydraulics saw its 5th consecutive quarter of positive organic growth, an impressive plus 8%, while Water Jetting experienced an year-over-year decrease of 4.2%. I will come back in a moment with more details on both businesses.

Consolidated EBITDA margin was 22.7% in Q3 2026, only 30 basis points less than a year ago despite the negative mix effect, consequence of the stronger Hydraulics and the weaker Water Jetting. The adverse business mix was largely offset by higher volumes and improved utilization capacity in Hydraulics, combined with a lean cost base.

In addition, disciplined pricing actions helped to compensate for input cost inflation. Overall, structural efficiency actions remain in place regardless of volume trends. Our diversified multi-application and multi-country business model keeps providing us with very robust margins in the dynamic macroeconomic environment, demonstrating the resilience of our business model.

Looking at the Q3 EPS, the plus 21% year-over-year increase was driven by the trend of the operating performance we have just discussed, a far higher financial income due to the earlier-than-expected buyout of the Padoan minority stake that had a positive effect of €6.6 million, a slightly better tax rate of about 27% in Q3 2026 and a lower share count supported by the buyback we have done at the beginning of the year.

At the end of September, the net financial position was negative at €276 million, a €42 million improvement from the €318 million we had 1 year ago. The trend was supported by our €77 million of free cash flow in Q3, consistent with the quarter seasonality.

Let's now move to the details by division. I will start with Hydraulics on Slide 3. The segment recorded its 5th consecutive quarter of organic growth of 8% growth in Q3. That is the strongest growth registered since the second quarter of 2023 or 7% plus 9% in the first 9 months.

If we look at the Q3 organic trend for the applications, we see that construction, machinery and earthmoving posted a double-digit increase, supported by infrastructure and data centers investments. Lifting posted double-digit growth, again supported by large-scale project activity. Industrial vehicles grew mid-single-digit as the overall truck industry keeps showing some sign of stabilization.

From a geographical standpoint, North America remained one of the biggest contributors with a high-teens organic improvement in the quarter. Asia Pacific and South America increased double-digits, while Europe was up low-single-digits.

Growth in Hydraulics remained well diversified across applications and geographies, reducing dependence on any single market or project. Hydraulics profitability slightly improved year-over-year with an EBITDA margin at 20.7%, a very solid result despite the dilution coming from the newly acquired companies. Margin improvement in valves, PTOs, cylinders and tanks more than offset a slightly weaker profitability in reduction gears and hoses.

Let's now turn on the Water Jetting division on Slide 4. We recorded a 4.2% organic decline in the third quarter, partly offset by Teknoice and MVV acquisitions and some positive currency impact. If we look at the Water Jetting applications, we see that the biggest contributor within the division remains food and beverage, which delivered high single-digit organic growth in Q3 in an industry affected by commodity inflation with performance varying significantly across regions.

Moving to the weak spot, the double-digit organic decline in Q3 for dealers and contractors was mostly led by the ongoing slump in the residential activity. Cleaning also saw a mid-single-digit organic decline in the quarter, reflecting subdued customer demand across several end markets.

Shipyard and marine continued to be soft, especially in Asia, where competition remains. From a geographical standpoint, Europe and Asia Pacific saw an high-single-digit organic decline. In Asia Pacific, we remain disciplined on pricing and focus on preserving profitability while continuing to support our long-term competitive positioning.

On the positive side, North America showed a low-single-digit organic increase in the quarter, while Latin America was up as well. We succeeded in keeping Water Jetting EBITDA margins above 26%, in line with historical values, notwithstanding the weak revenues, which affected operating leverage. Once again, I would like to remind you how our broad diversification is delivering a resilient performance at a group level, and this remains one of the defining characteristics of Interpump's business model.

The weaker Q3 performance in Water Jetting was offset by the very solid Hydraulics result, enabling us to increase EBITDA year-over-year and maintain an excellent group profitability level despite the headwinds coming from the business mix and from a volatile macro environment. Interpump's Group margin resilience continues to reflect our focus on specified applications, a decentralized operating model and our ability to implement pricing actions while required.

Having covered the operating performance, let's now move on the cash flow on Slide 5. The main driver of our €77 million of free cash flow in Q3 was the solid EBITDA, which we covered earlier. Trade working capital was another positive contributor in the quarter, supported by sales growth and disciplined [ph] and working capital management, in line with our target to keep the cash conversion cycle within a controlled range.

Capital expenditures remains at 4% of our sales on a consolidated level or €22 million in the quarter, consistent with our indications and with

our production needs. For 2026, we still expect to invest about €90 million, mostly dedicated to maintenance CAPEX.

On M&A, at the end of July, we announced MVV and Teknoice acquisitions. The €33 million cash out you see in the bridge takes into account those 2 deals and the buyout of the residual stake in Padoan, a partnership that happened in 2025.

Our inorganic strategy is confirmed. We actively assess many potential deals, which will further enrich our best product portfolio and create shareholder value. As we approach the end of 2026, we continue to evaluate an healthy pipeline of opportunities, although transaction timing remains difficult to predict. Our capital allocation priorities remain unchanged, investing in the business, pursuing value creation acquisitions and returning excess cash to shareholders when appropriate.

Moving to the 2026 outlook on Slide 6. We reiterate the targets we provided in August. For our group sales, we forecast an organic growth between plus 1% and plus 3%. As we are close to the year-end, we are more confident on the mid-upper part of that range. Announced acquisitions are expected to contribute approximately to group sales with another 2.5% in 2026.

For what regards profitability, EBITDA margin is forecasted between 22% and 22.5%. The different business mix we have been experiencing so far are stronger Hydraulics and a weaker Water Jetting put us in the lower part of the range. On cash, we confirm our objective of consolidating the free cash flow we achieved in 2025.

Let me end the call with some thoughts about the near future. Demand environment remain mixed across end markets and geographies with customers continuing to adopt a cautious approach to capital spending decisions. Industrial activity remains resilient overall, although

visibility beyond the near future remains limited due to the ongoing macroeconomic and geopolitical uncertainty.

Our order book remains broadly aligned with sales during the quarter, leaving backlog at healthy level for both divisions, supporting our near-term visibility. Underlying fundamentals remain supportive, but order patterns continue to reflect selective customer caution and longer decision-making cycles.

Based on the preliminary industry outlook, some companies provided there could be applications seeing growth in 2027, but it is too early to quantify it. Energy and inflation pressures in Q3 2026 are broader and more persistent than anticipated at the beginning of the year with the Middle East conflict acting as the primary catalyst.

For our businesses, the dominant pattern is a pricing pass-through of those extra costs. The most affected among our input cost inflation components are freight, raw materials and energy. Currently, we expect energy and transport cost inflation to persist through full year 2026 and into 2027. As we have done in the past, we target to fully offset any additional cost inflation by passing any additional cost to final customers, being able to maintain margins amid the uncertain geopolitical environment and volatile supply chain.

In general, October sales trend is a clear support for our full year 2026 forecast. With the current visibility, let me characterize the next quarter for both businesses from an organic standpoint. For Hydraulics, organic trend in Q4 is expected to remain broadly consistent with the recent quarters as most applications are developing consistently with what happened over the past quarters. In Water Jetting, environment is foreseen to remain uneven across applications, but I believe Interpump remains well positioned to benefit as industrial demand progressively normalize.

About M&A, we remain fully committed to our long-term ambitions of being a leading consolidator in our industry, bringing together complementary businesses across Hydraulics, Flow Handling and Food Processing. We believe our strong industrial footprint, know-how and global reach and proven integration capabilities position us well to continue driving consolidation in these attractive applications.

Interpump remains an attractive long-term industrial owner for specialized businesses seeking a global platform and operational support. We remain highly disciplined on acquisition multiples. Over the years, we have chosen to walk away from opportunities rather than overpaying. Basically, all deals, we completed happened when valuations became aligned with industrial fundamentals.

This concludes our prepared remarks. We can now take questions from the audience.

Q&A

OPERATOR: Thank you. This is the Chorus Call conference operator. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on their touchdown telephone, to remove yourself from the question queue, please press "*" and "2." Please pick up the receiver when asking questions. Anyone who has a question may press "*" and "1" at this time.

The first question is from Matteo Bonizzoni, Kepler Cheuvreux.

MATTEO BONIZZONI: Thank you. Thank you, good afternoon. First question is on the order intake. Fabio, you have mentioned that the attitude by some of your customers is sort of uneven, in some segments, stronger; in some other segments, weaker and depending on some geography. So my question is regarding...if you want maybe to comment about the order intake or

if you want...if you prefer backlog evolution at the end of September compared to the end of Q2. Thanks. This was the first question.

Then just to...if I understood correctly, the organic in Q4 although [ph] it should remain sustained, supported in the range of Q3, Q4. Can you comment if this is correct, while Water Jetting is still negative, maybe a little bit less than Q3, just to comment if it is reasonable or not. And then I have a question on Teknoice. Actually, yes, Teknoice acquisition was announced before Q2 release because it was the end of July.

My question is how it fits in general with the Water Jetting business and starting from a low margin, which is 14%, so broadly half of the divisional level? Do you have maybe a 3-year business plan for the subsidiary and the sort of target margin in the time of 3 years from now?

FABIO MARASI: Thank you, Matteo. Regarding Water Jetting...sorry, regarding order intake for the quarter, I confirm that Hydraulics is accelerating, while Water Jetting is lagging behind somehow because of the missing large projects that we have been commenting in the previous quarters. Generally speaking, what we have seen also in recent weeks is that Hydraulics demand on a global perspective remains very solid, very strong, and we expect a pretty important organic growth also in the fourth quarter but we also expect a growth in the fourth quarter in Water Jetting considering what we have seen in terms of order intake and order backlog in the previous quarters. I've been commenting since Q1 that order intake in Water Jetting was well beyond one pair. And then we are confident that in the fourth quarter, we will deliver a positive organic growth in Water Jetting as well.

Moving to your question on Teknoice, it's important to underline that Teknoice is a company that is very exposed through large orders because Teknoice is making large projects in ice cream manufacturing plants. And then maintenance and after sales represent approximately

20% of its sales, while the vast majority of sales is represented by orders or large orders in new equipment for ice cream manufacturing.

And then I don't believe it's worthwhile to analyze the monthly or quarterly performance. It's much better to look at the yearly results in terms of turnover, but more important in terms of order intake and order backlog. And please allow me to remind that we have paid a very, very attractive multiple around 5 times EBIT for Teknoice business that complement and enlarge our business scope in the Flow Handling and Food Processing vertical.

MATTEO BONIZZONI: Thank you.

OPERATOR: The next question is from Domenico Ghilotti, Equita.

DOMENICO GHILOTTI: Good afternoon to everybody. First is on...still on Water Jetting. So given the comments...first of all, I would like to come back to your comments on dealers and contractors. I presume in Water Jetting saw the double-digit decline. If you can elaborate a little bit more, what is the reason for the weakness? And second, if you think that...still preliminary, but if you think that the current trend is suggesting the potential risk for decline in sales in 2027.

Then a follow-up on Teknoice. Just to understand if there is...so I understand that it's not relevant to look at the single quarter, but on a full year basis, you mentioned €30 million sales around last year. So it's something that is still in place or this kind of volatility due to big orders should lead us to take a more prudent stance.

And the question on Matteo was also on the path to profitability, it's a business that can reach the profitability of the division or it's structurally different in terms of underlying medium-term profitability?

FABIO MARASI: Thank you, Domenico. Regarding the expectation for 2027, I believe that it's fair, even if it is too early, to say that we expect a positive 2027 evolution in Water Jetting considering the order intake and the order backlog that we see today and considering the easier comparison base, in particular in the first couple of quarters in the first half of 2027 in comparison with what happened this year.

Regarding Teknoice, we confirm that the €30 million per year business in terms of top line. And we also confirm that we expect that the EBITDA margin of the business…the EBITDA margin of the company, if on a mid-term perspective will not be aligned to the spectacular profitability of the Water Jetting and Flow Handling division, 26%, 27%, we believe that it will be reachable to have at least 20% EBITDA margin for the business. And this will justify abundantly the price that we have paid and the synergies that we expect from the business acquisition.

DOMENICO GHILOTTI: Okay. If I may just follow-up on an additional question is on the Hydraulic profitability. I was expecting a little bit more in terms of operating leverage considering that, okay, it is the second year in a row so that you have been growing almost double-digits, high-single-digit. So still there is upside in the margin, but not relevant. Can you elaborate on this?

FABIO MARASI: Yes. Clearly, the 20.8% in the third quarter is a satisfactory number because what we have to consider is that within the Hydraulics division as well, we have a mix of different businesses at a different profitability level. What we have seen is that we are experiencing a recovery in some business with relatively less profitability in comparison with the average of the group. Anyhow, what we are seeing is that the growth in terms of top line in the Hydraulics division is accelerating. And what we have achieved in the third quarter, 8% organic growth rate is very comforting combined also with the order intake and the order backlog at the end of the quarter. If we think

about the fourth quarter and the entrance speed in 2027, then we are particularly satisfied of the recovery of the Hydraulics division after 2 very tough years, '24 and 2025.

DOMENICO GHILOTTI: Thank you.

OPERATOR: The next question is from Natasha Brilliant, UBS. Ms. Brilliant, we cannot hear you, maybe line is on mute. Please [multiple speaker].

NATASHA BRILLIANT: Can you hear me now?

OPERATOR: Yes, we can. Please go ahead.

NATASHA BRILLIANT: Yes, thank you. Sorry about that. Good afternoon, everyone. And thanks for taking my question. So I've got 3. Firstly, just to come back again on Hydraulics and the sequential improvements in organic growth. Do you think that is purely on underlying demand getting better? And can you just remind us where we are in terms of the destocking cycle? That's the first question.

Second question is on Water Jetting and the order book that you talked about. The improvement into 2027, does that include any large projects? Or is that still to come? Do you have any visibility if there are any large projects on the horizon?

And then finally, if you could talk about the pricing environment, you said you expect to offset any inflation as usual. Can you quantify what sort of price increase we can expect into next year, please? Thank you.

FABIO MARASI: Thank you. Thank you, Natasha, for these questions. Regarding Hydraulics, we see that the sequential improvement in terms of organic growth is very comforting and we are particularly pleased to see that quarter-after-quarter, we are seeing this trend consolidating. Clearly, with different contribution by application and different contribution by

geographies. As we have been commenting in previous occasions, we see a spectacularly strong Asia, a very strong America and US, and a still lagging behind Europe. Then a mixed picture in terms of geographies.

In terms of businesses, we are seeing a very strong demand and a very strong contribution from the pure Hydraulics businesses and the pure off-highway applications, while some other application, in particular truck and truck outfitters, lag behind a little bit. But if we look at the consolidated demand for the Hydraulics division overall, we are confident that we are entering, or we will be entering in 2027, with the right speed and the right order backlog.

Regarding destocking or inventory management by our customers, after 3 very difficult years, we do not see particular strategies or particularly aggressive destocking strategies from our customers, and we expect a normal movement and a normal behavior as we approach the end of this year.

Regarding Water Jetting, and if we think at 2027 expected growth, we believe that the postponement of the large projects and the postponement of the discussion that we have seen in 2026 will materialize and will contribute the organic growth that we expect for next year that will be announced and will be discussed in future occasion, in particular in February next year, when we will announce 2027 target of growth.

Regarding pricing, that is particularly relevant for Hydraulics, I am particularly pleased to confirm that we are seeing a disciplined approach from the main competitors and the main players in the industry. Everybody is passing through any material price increase to the end customer. Likewise, everybody did in the past. And this is one of the reason why we have been able to protect our margins once again in an inflationary scenario, in an inflationary environment.

NATASHA BRILLIANT: Thank you.

OPERATOR: The next question is from Alessandro Tortora, Mediobanca.

ALESSANDRO TORTORA: Yes, hi. Good evening to everybody. Let's say that I have 2 questions, Fabio. The first one, as you mentioned before, you have let's say a very good contribution from let's say some subdivision inside the Hydraulics, like the base. Can you comment a little bit let's say the contribution of some subsidiaries? I am here referring let's say to for sure Walvoil, which is a large parter inside the Hydraulic sales. But also, if you can comment a little bit about the White Drive performance in this improving demand environment. So this is the first question. Thanks.

FABIO MARASI: Thank you. Grazie, Alessandro. You're giving me the occasion to underline how the recovery from the pure off-highway application and from the companies that are the most exposed, the pure off-highway application, I mean Walvoil, White Drive, and some companies in cylinders or also Hose Fittings business, is particularly relevant. You know, because we have commented many times, that in the downturn that characterized 2024 and 2025 in Hydraulics in general, we have seen some resiliency coming from trucks and truck outfitters application, while the pure off-highway was suffering a lot. What we are seeing in 2026, and what we are seeing in these quarters and in these weeks, is that the off-highway application and the companies that are the most exposed to the off-highway application are the ones that are benefiting the most from the recovery in the demand. Then it is correct to say that Walvoil, White Drive, Hose Fittings, and the Pure Cylinder companies are the ones that are growing the most in this environment.

ALESSANDRO TORTORA: Okay. Thanks. And the second question, Fabio, sorry, then I remember the third one. But the second question is on the Water

Jetting side. You mentioned before a good performance in the North American business. I guess now should be related to NLB. The question is, can you comment a little bit the performance of Hammelmann, and when I refer to Hammelmann also about part of its, let's say, business which is linked to the German market, because we had many discussion in the past about some kind of gradual improvement in the infra spending in Germany. Now some operators in the space are talking about finally an acceleration of some activities there. So just to have an idea of your feeling if for Hammelmann this is something that can help next year. Thanks.

FABIO MARASI: Yes. I would distinguish between companies and markets, and I would say that North America is performing very well, generally speaking, both in Hydraulics and Water Jetting. Then not only NLB, but also other companies exposed to the North American business are enjoying a very healthy demand situation in this market.

Regarding Hammelmann, it is clearly the most penalized company, the most penalized business on an yearly comparison, because year-to-year comparison is penalized if we consider Hammelmann by the spectacular results that Hammelmann achieved in 2025, because of the very strong and very important orders that Hammelmann got in China in 2025.

On your last comment regarding Germany and the infrastructural spending, because of the German stimulus package, you have been hearing me commenting several times that I believe very little that these stimulus packages can contribute or can sustain the growth and the demand for the businesses in which we are operating. I've always believed that, in particularly in Europe, every politician-driven stimulus packages are not really effective in stimulating demand and supporting growth for our companies.

ALESSANDRO TORTORA: Okay. Thanks, Fabio. And the last question is just related to a recent interview I read from the Chairman talking about your innovation pipeline and the possibility at a certain point to develop pumps reaching, let's say, the 5,000 bar or up to 5,000 bar. Can you help me understand if this is something that, I don't know, would open a new application for you? So just understand, let's say, your view on this point. Thanks.

FABIO MARASI: Yes. Thank you, Alessandro, for this question. What is important to underline is that we are continuously developing new application fields and new technologies in Water Jetting. And we are developing these new applications in combination with our customer needs.

And regarding the 5,000 bar, it's something that we are testing, considering that in Hammelmann in particular, we have already reached the 4,500 bars pressure. But generally speaking, it's very, very important to underline that every new application, every new development is driven by our customers' needs and our customers' demand. And in many cases, we are co-designing and co-experiencing these tests and this adaptation of our core technologies.

And the vast majority of the cases, our customers are paying and are financing the R&D efforts of our companies. And we are particularly proud to underline that the new applications, the new technologies, and the business development that every year we are experiencing in Water Jetting are driven by market demand and stimulated by market demand and our customer needs much more than our internal proposal to the market. And this is one of the reason why the profitability in the Water Jetting division is so strong over the long term.

ALESSANDRO TORTORA: Okay. Thanks, Fabio.

OPERATOR: The next question is from Fraser Donlon, Berenberg.

FRASER DONLON: Hi there, Fabio and Federico. It's Fraser here from Berenberg. I just had 2 questions. The first, could you clarify if you recognize any reimbursement of tariffs in the third quarter? And I guess linked to that, would you expect any lowering of tariff costs between Q3 and Q4 as you kind of work through your inventory?

And then the second question was just, could you just I think we discussed this on the last call. But could you just kind of confirm that you're still pretty confident to have a good production in Hydraulics in Q4, given the accelerating order intake, and we shouldn't necessarily see this reduction in margin, as was the case in the last couple years in Q4 for Hydraulics? Thank you.

FABIO MARASI: Yes. Thank you, Fraser, for these questions. Regarding tariffs, we have not factored any positive contribution in Q4 when we commented the expected profitability for the year. Then we are clearly working, we are clearly dealing with the reimbursement application for the tariffs that we have paid and our companies have paid for tariffs in the previous quarters. But you also have to consider that we will have to reimburse our customers for the tariffs that they have sustained and they have reimbursed ourselves.

Then considering that we are an industrial player with a long-term approach and please allow me to consider and to say that we are an honest player, we don't want to speculate on the reimbursement of the tariffs, and then we are not factoring any positive contribution from the tariff's reimbursement, because we consider that we will reimburse our customers for any reimbursement that we will get from the US administration, first.

Second question is more important, and it depends much more on our management and on ourselves. We believe that on the Q4 this year, we will have a much more normal situation in comparison with the Q4, and in particular with December of last year and the previous years,

because what we are seeing, in particular in the Hydraulics division, in the Hydraulics business, is a stronger and a more normal level of demand and level of development and deliveries to be expected for the next few weeks until the end of the year. And then we do not see, we do not expect any negative impact, any headwinds coming from the postponement or cancellation of orders coming from Hydraulics customers in the approaching or the end of the year. Likewise, we have experienced in the previous years.

FRASER DONLON: Perfect. Thank you very much.

FABIO MARASI: Thank you. Thank you, Fraser.

OPERATOR: The next question is from Domenico Ghilotti, Equita.

DOMENICO GHILOTTI: Yes. Thank you. Just a brief follow-up. First, if you can repeat the contribution that you had from the Padoan minorities on the financial income, and why is that? So at the end, you paid less than initially budgeted. So if you can just explain the reason?

And second, if you can give us some explanations, some color on the exit of Mastronardi. So are you changing the organizational structure or just, say, personal reasons?

FABIO MARASI: Okay. Thank you, Domenico. Regarding Padoan, anticipated exercise of the call options on the 30% remaining shareholding participation of the minority shareholder, I confirm that we had a positive contribution that has been registered in the financial profit of €6.6 million. Then it is not impacting EBITDA or EBIT. It is positively impacting the net profit for the quarter. Clearly, this is an accounting benefit that is coming from the comparison with the price that we paid for the anticipated exercise of the call option in comparison with the booked value for the minority interest.

Regarding Mastronardi exit from the management of the company, this is a normal reorganization in the top management structure. Then nothing special has to be underlined or nothing special has to be commented.

DOMENICO GHILOTTI: Thank you.

OPERATOR: As a reminder, if you wish to register for a question, please press "*" and "1" on your telephone. The next question is from Bruno Permutti, Intesa Sanpaolo.

BRUNO PERMUTTI: Yes. Good evening, everyone. Thanks for taking my question. Regarding the trade working capital, if I am not wrong, you had some benefits in the quarter. I wanted to understand if this normalization of the receivables and payables is something that you see as a structural change. So if you believe that it's a medium-term trend that has changed perhaps a little bit compared to the past, and what is your target for trade working capital on sales for 2027, if possible?

And a second question relates to CAPEX. If you can confirm that also in this case, we will see a normalization of the CAPEX also in the coming years?

FABIO MARASI: Thank you, Bruno. Regarding net working capital, I confirm that we are focused as a group in improving the net working capital on sales ratio, because in 2024 and 2025, we have reached a 40% net working capital on sales ratio that I confirm being not the best-in-class number. I confirm that our target and our aim is to bring back this KPI to the pre-COVID levels of 35% to 36%. What we are seeing quarter-after-quarter is that we are improving, we are normalizing this KPI, and we expect progressively an improvement in 2027 and in 2028. This is one of the reason why our cash generation and free cash flow, is so strong quarter-after-quarter.

Regarding CAPEX, after the extraordinary CAPEX plan that we have been commenting so many times, I confirm that we do not have any extraordinary investment, any relevant or one-off CAPEX plan, and we believe that in 2027 and going forward, we do not expect any other or anything that is exceeding the normal 3% to 4% CAPEX on sales ratio.

BRUNO PERMUTTI: Thank you.

OPERATOR: Gentleman, Mr. Pavesi, there are no more questions registered at this time. I turn the conference back to you for any closing remarks.

FEDERICO PAVESI: Thanks, everybody, for attending the call. Have a great weekend.