

Interim Board of Directors' Report for 4Q2023



Interpump Group S.p.A. and subsidiaries

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This document can be accessed on the Internet at:

www.interpumpgroup.it

Interpump Group S.p.A.

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

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

Reggio Emilia Companies Register - Tax Code 11666900151

Board of Directors

Fulvio Montipò
Executive Chairman

Giovanni Tamburi (b)
Deputy Chairman

Fabio Marasi (d)
Chief Executive Officer

Antonia Di Bella (a) (c)
Independent Director

Nicolò Dubini (a) (c)
Independent Director

Marcello Margotto (b)
Independent Director
Lead Independent Director

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

Roberta Pierantoni
Independent Director

Rita Rolli (d)
Independent Director

Anna Chiara Svelto (d)
Independent Director

Board of Statutory Auditors

Anna Maria Allievi
Chairman

Mario Tagliaferri
Statutory Auditor

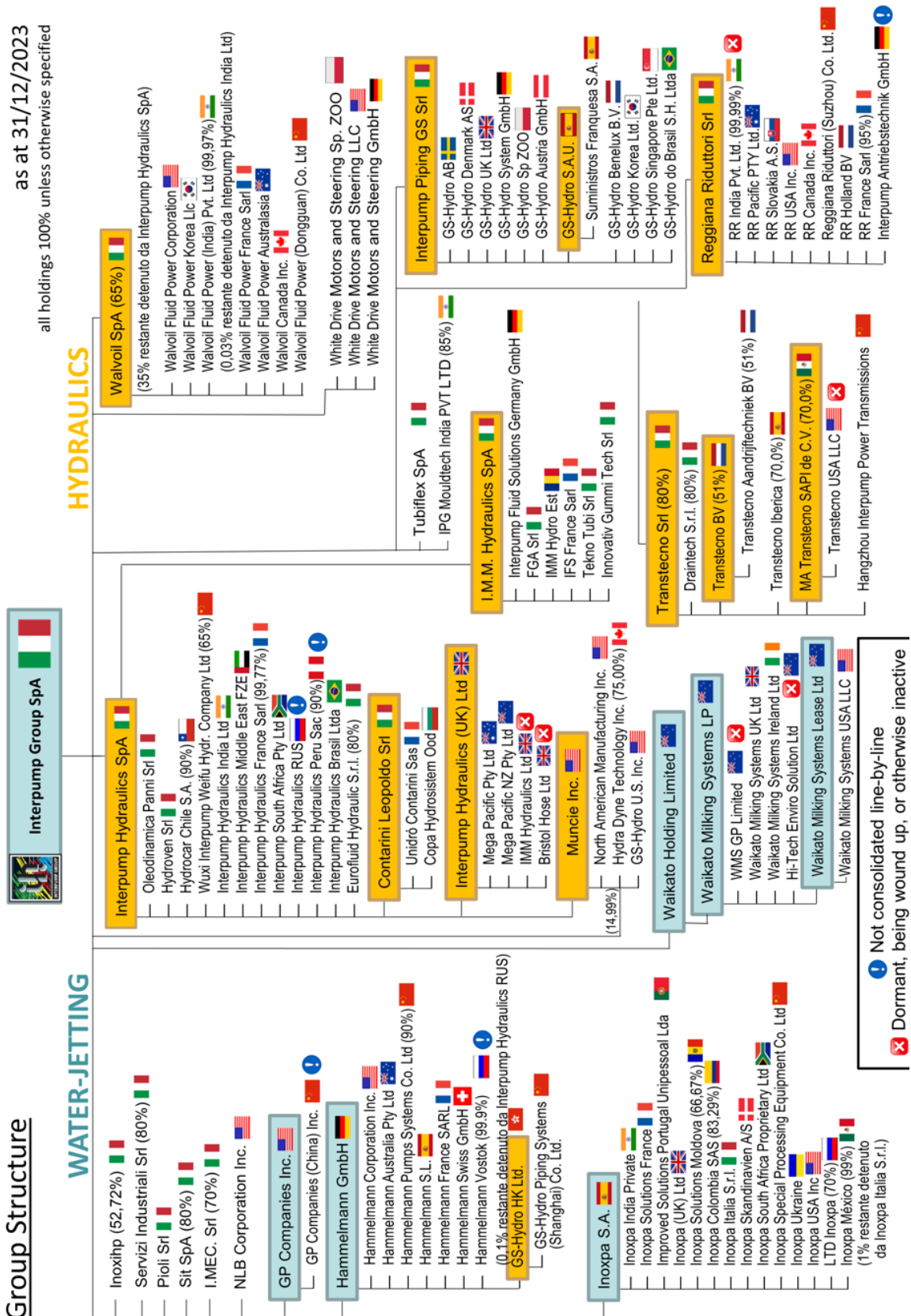
Mirco Zucca
Statutory Auditor

Independent Auditors

PricewaterhouseCoopers S.p.A.

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

Group Structure



Interim Board of Directors' Report

**Directors' remarks on performance
in 2023**

PERFORMANCE INDICATORS

The Group uses several alternative measures that are not identified as accounting parameters in the framework of IFRS standards, to allow better evaluation of the trend of economic operations and the Group's financial position. Such indicators are also tools that assist the directors in identifying operating trends and in making decisions on investments, resource allocation and other business matters. Therefore, the measurement criterion applied by the Group may differ from the criteria adopted by other groups and hence may not be comparable with them. Such alternative performance indicators are 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 consistently, using the same definitions and presentations for all periods for which financial information is included in this Interim Board of Directors' Report.

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

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

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

The cash flow statement was prepared using the indirect method.

Consolidated income statement

(€/000)	<u>2023</u>	<u>2022</u>
Revenues	2,240,039	2,077,964
Cost of sales	(1,460,075)	(1,353,451)
Gross industrial margin	779,964	724,513
<i>% of revenues</i>	<i>34.8%</i>	<i>34.9%</i>
Other operating income	42,154	42,703
Distribution expenses	(169,744)	(158,047)
General and administrative expenses	(214,587)	(198,277)
Other operating costs	(8,968)	(26,888)
EBIT	428,819	384,004
<i>% of revenues</i>	<i>19.1%</i>	<i>18.5%</i>
Financial income	26,515	31,887
Financial charges	(78,174)	(47,447)
Equity method contribution	627	235
Profit for the year before taxes	377,787	368,679
Income taxes	(100,271)	(98,930)
Consolidated profit for the year	277,516	269,749
<i>% of revenues</i>	<i>12.4%</i>	<i>13.0%</i>
Attributable to:		
Shareholders of Parent	274,269	266,497
Minority shareholders of subsidiaries	3,247	3,252
Consolidated profit for the year	277,516	269,749
EBITDA	536,725	492,337
<i>% of revenues</i>	<i>24.0%</i>	<i>23.7%</i>
Shareholders' equity	1,802,904	1,566,110
Net financial position	486,497	541,784
Debts for the acquisition of equity investments	81,164	62,812
Capital employed	<u>2,370,565</u>	<u>2,170,706</u>
ROCE	18.1%	17.7%
ROE	15.4%	17.2%
Basic earnings per share	2.565	2.524

KEY EVENTS OF 2023

International economic prospects remain uncertain, even though 2023 started brighter with a fall in energy prices and the re-opening of China. The outlook is dominated by geopolitical tensions, for which there are no imminent solutions, and by continuation of the restrictive financial conditions faced by businesses and consumers.

Prices for energy commodities seem to be trending downwards at the moment, with the level of demand and inventories conducive to lower prices; nevertheless, international trade continues to display a certain fragility.

The principal global indicators for new export orders suggest further reductions in the coming months.

The dynamics of the global economy reflect regional differences. GDP growth in China and the United States accelerated sharply during the third quarter. However the Chinese economy remains affected by the weakness of the real estate sector and the high level of private sector debt. By contrast, economic activity in Europe remained stagnant in the same period, influenced by the asymmetric effect of the energy crisis linked to the Russia-Ukraine conflict. Overall inflation eased further in all leading countries, essentially reflecting the lower prices for energy commodities and sound conditions in the labor market.

Although held in check by the restrictive monetary conditions and modest wage growth, at least for now, the underlying rate of inflation nevertheless declined more slowly. Broadly, the phase of steady interest-rate hikes by the Federal Reserve and the ECB should now be over. Despite these positive elements, the international outlook remains highly uncertain. Indeed, further price increases cannot be excluded if energy costs become a risk factor once again, not least due to heightened geopolitical tensions in the Middle East.

In the Euro area, inflation picked up in December and this trend seems likely to continue during the first part of the current year. Recent data appears to confirm the ECB forecast that, after reaching a minimum in November, the rate of increase in the consumer price index should stabilize above the 2% target during 2024, but ease further in the following year.

The exposure of the Interpump Group to the countries involved in the Russia-Ukraine conflict remains limited. Specifically, € 21.7 million was invoiced to customers in Russia, Belarus and Ukraine during 2023, with outstanding receivables at 31 December 2023 of € 2.3 million.

Despite current uncertainties in the macroeconomic environment, the Interpump Group continues to report excellent results.

Revenues reached € 2,240 million, up by 7.8% compared with 2022 when they totaled € 2,078 million. Analysis by business sector shows that revenues in the Hydraulic Sector rose by 6.0% with respect to 2022, while those in the Water-Jetting Sector experienced growth of 12.9%.

EBITDA was € 536.7 million (24.0% of revenues). In 2022 EBITDA was € 492.3 million (23.7% of revenues), so 9.0% growth was achieved.

Net profit totaled € 277.5 million in 2023 (€ 269.7 million in 2022), reflecting growth of 2.9%.

While still implementing a major investment program, the Group has continued to manage inventories and working capital with great care. Consequent to this strategy, free cash flow € 147.9 million was generated in 2023 (€ 51.1 million in 2022), up by 189%.

The net financial position at 31 December 2023 amounted to € 486.5 million (€ 541.8 million at 31 December 2022), primarily after paying dividends of € 34.8 million and making net investments of € 57.6 million to acquire equity investments and residual minority interests.

During 2023, the Hydraulic sector purchased the following companies and consolidated them for the first time:

Indoshell Automotive System India P.L (now IPG Mouldtech India Pvt Ltd.) - 85% of the capital was purchased on 20 February 2023. This company was previously owned by Indoshell Mould Limited, an Indian Group specialized in the smelting of ferrous and non-ferrous metals (cast iron and aluminum). The value of this operation was fixed at around € 8 million and put option mechanisms were defined, through which Interpump Group can acquire the remaining 15% interest from Indoshell Mould Limited. The company has been consolidated on a line-by-line basis from 31 March 2023 and, therefore, has contributed to the consolidated results for nine months.

Again in the Hydraulic sector, the following minority interests were acquired during the year:

- Hangzhou Transtecno Power Transmission - the Group interest was raised from 72% to 100%, following purchase of the residual 28% interest;
- Transtecno Iberico - the Group interest was raised from 50.4% to 70%, following the purchase of an additional 19.6% interest;
- MA Transtecno S.A.P.I. - the Group interest was raised from 50.4% to 70%, following the purchase of an additional 19.6% interest.

During the year, agreement was also reached for the partial early exercise of the options to purchase/sell the minority interests in Hydra Dyne, which is now 89.99% owned. The related “put and call” mechanisms were also redefined, enabling the counterparties to purchase/sell the remaining 10.01% equity interest following approval of the 2028 financial statements.

Lastly, again in the Hydraulic sector, Interpump Antriebstechnik GmbH was formed on 10 October 2023 and has been consolidated using the equity method.

The following companies were acquired in the Water-Jetting sector:

- I.Mec S.r.l., specialized in the production of mechanical sifters and vibrating devices for the granulometric selection of materials, mainly for industries active in the ceramics, recycling, filtration, food processing and cosmetics sectors - the Group acquired a 70% equity interest on 20 April 2023. The value of this operation has been fixed at approximately € 14 million and “put and call” mechanisms have defined, through which the counterparties can purchase and sell the remaining 30%.
- Waikato Group, established over 50 years ago and leader in the New Zealand and Australian markets for mechanized milking - 100% control of this group was acquired on 18 May 2023. The total value of the transaction was set at about € 30 million.

Both new acquisitions have been consolidated on a line-by-line basis from 31 May 2023 and, therefore, have contributed to the consolidated results for seven months.

Lastly in the Water-Jetting sector, Teknova S.r.l. was liquidated on 28 December 2023.

REVENUES

Revenues totaled € 2,240.0 million in 2023, up by 7.8% compared with € 2,078.0 million in 2022 (+5.1% at unchanged perimeter and +6.9% also net of exchange differences).

Revenues by business sector and geographical area were as follows:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
2023						
Hydraulics	297,482	591,997	439,806	160,443	144,595	1,634,323
Water-Jetting	66,252	212,892	187,162	78,203	61,207	605,716
Total	363,734	804,889	629,968	238,646	205,802	2,240,039
2022						
Hydraulics	281,502	558,010	409,417	165,248	127,446	1,541,623
Water-Jetting	53,547	180,258	191,851	63,211	47,474	536,341
Total	335,049	738,268	601,268	228,459	174,920	2,077,964
2023/2022 percentage changes						
Hydraulics	+5.7%	+6.1%	+7.4%	-2.9%	+13.5%	+6.0%
Water-Jetting	+23.7%	+18.1%	-2.4%	+23.7%	+28.9%	+12.9%
Total	+8.6%	+9.0%	+4.3%	+4.5%	+17.7%	+7.8%
2023/2022 at unchanged perimeter (%)						
Hydraulics	+3.3%	+3.1%	+7.4%	-2.9%	+12.3%	+4.4%
Water-Jetting	+8.9%	+14.3%	-5.0%	+8.5%	+27.2%	+7.3%
Total	+4.2%	+5.8%	+3.5%	+0.2%	+16.4%	+5.1%

PROFITABILITY

The cost of sales accounted for 65.2% of revenues (65.1% in 2022). Production costs accounted for 26.3% of revenues (26.1% in 2022) and totaled € 588.2 million (€ 541.9 million in 2022, which however did not include the costs of Draintech S.r.l. for 5 months, of Eurofluid Hydraulic S.r.l. for 10 months, and of I.MEC S.r.l., IPG Mouldtech India Pvt Ltd and the Waikato group for the full year). The purchase cost of raw materials and components sourced on the market, including changes in inventories, accounted for 38.9% of revenues (39.1% in 2022) and totaled € 871.8 million (€ 811.6 million in 2022, which however did not include the costs of Draintech S.r.l. for 5 months, of Eurofluid Hydraulic S.r.l. for 10 months, and of I.MEC S.r.l., IPG Mouldtech India Pvt Ltd and the Waikato group for the full year).

At unchanged perimeter, distribution expenses rose by 4.5% with respect to 2022, with the same percentage incidence on revenues.

Also at unchanged perimeter, general and administrative expenses rose by 5.0% with respect to 2022, with the same percentage incidence on revenues.

Payroll costs totaled € 464.0 million (€ 423.3 million in 2022, which included the costs of Eurofluid Hydraulic S.r.l. for 2 months, but not those of IMEC S.r.l., IPG Mouldtech India Pvt Ltd, or the Waikato group). At unchanged perimeter, payroll costs amounted to € 455.1 million, up by 7.5% due to a 3.3% rise in per capita cost and an increase in the average headcount by 358 employees.

The total number of Group employees in 2023 averaged 9,325 (9,143 at unchanged perimeter) compared to 8,721 in 2022. The increase in average headcount, net of the personnel of the newly-acquired companies, breaks down as follows: plus 214 in Europe, plus 141 in North America and plus 3 in the Rest of the World. In addition, the Group employed 1,754 temporary workers during the year (1,609 in 2022) at a cost of € 39.3 million (€ 40.3 million in 2022).

EBITDA totaled € 536.7 million (24.0% of revenues) compared to € 492.3 million in 2022, which represented 23.7% of revenues, reflecting a 9.0% increase. The following table sets out EBITDA by business sector:

	<i>2023</i>	<i>% on total</i>	<i>2022</i>	<i>% on total</i>	<i>Increase/</i>
	<i>€/000</i>	<i>revenues*</i>	<i>€/000</i>	<i>revenues*</i>	<i>Decrease</i>
Hydraulics	368,919	22.5%	337,473	21.8%	+9.3%
Water-Jetting	167,806	27.5%	154,864	28.7%	+8.4%
Total	536,725	24.0%	492,337	23.7%	+9.0%

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

EBIT amounted to € 428.8 million (19.1% of revenues) compared with € 384.0 million in 2022 (18.5% of revenues), up by 11.7%.

The tax rate for the year was 26.5% (26.8% in 2022).

Net profit for 2023 was € 277.5 million (€ 269.7 million in 2022) reflecting an increase of 2.9%. Basic earnings per share were € 2.565 (€ 2.524 in 2022).

Capital employed increased from € 2,170.7 million at 31 December 2022 to € 2,370.6 million at 31 December 2023. This increase mainly reflects continued implementation of the major investment plan during the year.

ROCE was 18.1% (17.7% in 2022). ROE was 15.4% (17.2% in 2022).

CASH FLOW

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

	2023 <u>€/000</u>	2022 <u>€/000</u>
Opening net financial position	(541,784)	(494,924)
Adjustment: opening net financial position of companies not consolidated line by line at the end of the prior year	(1,274)	-
Adjusted opening net financial position	(543,058)	(494,924)
Cash flows from operating activities	373,054	395,800
Principal portion of leasing installments paid	(20,548)	(25,915)
Cash flow generated (absorbed) by the management of operating capital	(27,070)	(195,122)
Cash flow generated (absorbed) by other current assets and liabilities	(15,723)	3,194
Capital expenditure on property, plant and equipment	(161,702)	(125,410)
Proceeds from the sale of property, plant and equipment	3,382	3,086
Increase in intangible assets	(6,608)	(7,155)
Financial income received	4,377	1,056
Other	(1,267)	1,566
Free cash flow	147,895	51,100
Acquisition of investments, including received debt and net of treasury shares assigned	(57,609)	(43,041)
Dividends paid	(34,761)	(31,239)
Disbursements for purchase of treasury shares	-	(94,793)
Proceeds from the sale of treasury shares to stock option beneficiaries	2,246	63,027
Principal portion of leasing installments paid	20,548	25,915
Principal portion of new leasing contracts arranged	(29,384)	(16,446)
Restatement and early redemption of leasing contracts	8,079	(635)
Change in other financial assets	(555)	(36)
Net cash generated (used)	56,459	(46,148)
Exchange differences	102	(712)
Closing net financial position	<u>(486,497)</u>	<u>(541,784)</u>

Net liquidity generated by operating activities totaled € 373.1 million (€ 395.8 million in 2022), reflecting a decrease of 5.7%. Free cash flow increased significantly to € 147.9 million (€ 51.1 million in 2022) despite the continuation of major planned investments, given the reduction in working capital absorption and the impact of the careful inventory management policy implemented during 2022.

Net indebtedness, including payables and commitments, determined in accordance with ESMA guidance 32-382-1138 and included in Consob notice no. 5/21, comprises:

	31/12/2023 <u>€/000</u>	31/12/2022 <u>€/000</u>	01/01/2022 <u>€/000</u>
Cash and cash equivalents	334,483	358,275	349,015
Payables to banks (advances and STC amounts)	(52,469)	(30,928)	(7,760)
Interest-bearing financial payables (current portion)	(264,911)	(288,456)	(232,213)
Interest-bearing financial payables (non-current portion)	(503,600)	(580,675)	(603,966)
Net financial position	(486,497)	(541,784)	(494,924)
Commitments for the acquisition of investments	(81,164)	(62,812)	(77,794)
Total net indebtedness	(567,661)	(604,596)	(572,718)

CAPITAL EXPENDITURE

Expenditure on property, plant and machinery totaled € 219 million, of which € 11.0 million through the acquisition of investments (€ 157.7 million in 2022, of which € 8.8 million through the acquisition of investments). The additions are analyzed in the following table.

€/000	2023 €/000	2022 €/000
Increases for the purchase of fixed assets used in the production process	164,664	127,510
Increases for machinery rented to customers	13,908	4,927
Leased assets	29,384	16,446
<i>Capex</i>	207,956	148,883
Increases through the acquisition of equity investments	11,016	8,781
Total increases in the year	218,972	157,664

The increases in 2023 include € 77.3 million invested in land and buildings (€ 48.4 million in 2022).

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

Increases in intangible assets totaled € 19.9 million, of which € 13.2 million through the acquisition of equity investments (€ 8.4 million in 2022, including € 1.1 million 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, on 28 June 2021 the Board of Directors approved a new version that takes account of the effects of Decree 49/2019, which transposed into Italian law the provisions of Directive (EU) 2017/828 ("Shareholders' Rights II") with regard to related parties, as well as the related amendments made by CONSOB on 10 December 2020 to the Issuers' Regulation and the Regulation governing Related Party Transactions. Lastly, on 4 August 2023 the Board of Directors approved a new version of the procedure that reflects the latest regulatory changes, of a minor nature, made since the amendments mentioned above. The new version can be found in the Corporate Governance section of the Interpump website www.interpumpgroup.it. Information on transactions carried out with related parties is given in Note 10 of the Interim Consolidated Financial Statements at 31 December 2023. Overall, no atypical or unusual transactions were carried out with related parties during 2023 and the transactions that did take place were conducted on an arm's-length basis.

CHANGES IN GROUP STRUCTURE IN 2023

As described earlier, the scope of consolidation has changed as follows since 31 December 2022:

Hydraulic sector:

- The newly-acquired IPG Mouldtech India Pvt Ltd has been consolidated on a line-by-line basis with effect from 31 March 2023;
- Benmec S.r.l. - previously not consolidated on a line-by-line basis as immaterial - was absorbed by Transtecno S.r.l. with effect from 1 January 2023, thus contributing in full to the consolidated data at 31 December 2023;
- Minority interests were acquired in Hangzhou Transtecno Power Transmission, now wholly owned, as well as in Transtecno Iberica and MA Transtecno S.A.P.I., now both 70% owned;
- Agreement was reached for the partial early exercise of the options to purchase/sell the minority interests in Hydra Dyne, which is now 89.99% owned;
- Interpump Antriebstechnik GmbH was formed on 10 October 2023 and has been consolidated using the equity method.

Water-Jetting sector:

- The newly-acquired I.Mec S.r.l. and Waikato group have been consolidated on a line-by-line basis with effect from 31 May 2023;
- Teknova S.r.l. was liquidated on 28 December 2023.

EVENTS OCCURRING AFTER THE END OF 2023

On 31 January 2024 Interpump Group announced the signature of an agreement with PGIM Inc. for a Note Purchase and Private Shelf Agreement (“Shelf Facility”) amounting to US\$ 300 million, and the simultaneous issue, in the form of a US Private Placement, of initial bonds backed by the above facility totaling € 100 million.

In particular, the Shelf Facility agreement grants the Group the right, but not the obligation, to issue bonds totaling a maximum of US\$ 300 million over the next 3 years, on the same contractual conditions as those negotiated initially, with pricing to be determined at the time of each drawdown and a maximum duration of 20 years.

At the same time, senior unsecured bonds totaling € 100 million were issued in a single tranche, with maturity in 10 years (January 2034), an average duration from issue of 8 years, and a six-monthly coupon of 4.17%. These bonds, placed with funds managed by Pricoa Private Capital - the private capital division of PGIM Inc, which is the global investment manager of Prudential Financial Inc., a US insurance company - pay a six-monthly coupon at a fixed rate, do not have a rating and will not be listed in regulated markets.

**Directors' remarks on performance
in 4Q2023**

4Q consolidated income statement

(€/000)	<u>2023</u>	<u>2022</u>
Revenues	519,597	533,025
Cost of sales	(346,806)	(344,989)
Gross industrial margin	172,791	188,036
<i>% of revenues</i>	<i>33.3%</i>	<i>35.3%</i>
Other operating income	10,929	10,536
Distribution expenses	(43,961)	(41,770)
General and administrative expenses	(53,392)	(51,286)
Other operating costs	(4,537)	(11,645)
EBIT	81,830	93,871
<i>% of revenues</i>	<i>15.7%</i>	<i>17.6%</i>
Financial income	6,183	5,621
Financial charges	(28,619)	(22,284)
Equity method contribution	143	120
Profit for the period before taxes	59,537	77,328
Income taxes	(22,587)	(22,312)
Consolidated profit for the period	36,950	55,016
<i>% of revenues</i>	<i>7.1%</i>	<i>10.3%</i>
Attributable to:		
Shareholders of Parent	36,067	53,940
Minority shareholders of subsidiaries	883	1,076
Consolidated profit for the period	36,950	55,016
EBITDA	111,086	127,214
<i>% of revenues</i>	<i>21.4%</i>	<i>23.9%</i>
Shareholders' equity	1,802,904	1,565,932
Net financial position	486,497	541,784
Debts for the acquisition of equity investments	81,164	62,812
Capital employed	2,370,565	2,170,528
Unannualized ROCE	3.5%	17.7%
Unannualized ROE	2.0%	17.2%
Basic earnings per share	0.337	0.511

REVENUES

Revenues in 4Q2023 totaled € 519.6 million, down by 2.5% compared with € 533.0 million in 4Q2022 (-5.5% at unchanged perimeter and -3.4% also net of exchange differences).

Net revenues in 4Q are analyzed below by business sector and geographical area:

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
<i>4Q2023</i>						
Hydraulics	62,987	134,366	98,285	33,572	36,477	365,687
Water-Jetting	18,885	50,229	45,260	22,340	17,196	153,910
Total	81,872	184,595	143,545	55,912	53,673	519,597
<i>4Q2022</i>						
Hydraulics	74,012	145,280	101,886	40,174	31,817	393,169
Water-Jetting	15,002	46,086	44,867	18,779	15,122	139,856
Total	89,014	191,366	146,753	58,953	46,939	533,025
2023/2022 percentage changes						
Hydraulics	-14.9%	-7.5%	-3.5%	-16.4%	+14.6%	-7.0%
Water-Jetting	+25.9%	+9.0%	+0.9%	+19.0%	+13.7%	+10.0%
Total	-8.0%	-3.5%	-2.2%	-5.2%	+14.3%	-2.5%
2023/2022 at unchanged perimeter (%)						
Hydraulics	-15.4%	-8.5%	-3.5%	-16.4%	+13.7%	-7.5%
Water-Jetting	+1.7%	+1.2%	-4.0%	-0.9%	+10.8%	+0.3%
Total	-12.5%	-6.2%	-3.7%	-11.5%	+12.8%	-5.5%

PROFITABILITY

The cost of sales accounted for 66.7% of revenues (64.7% in 4Q2022). Production costs, which totaled € 142.7 million (€ 140.5 million in 4Q2022, which however included the costs of Eurofluid Hydraulic S.r.l. for 2 months, but not those of I.MEC S.r.l., IPG Mouldtech India Pvt Ltd or the Waikato group), accounted for 27.5% of revenues (26.4% in the equivalent period of 2022). The purchase cost of raw materials and components sourced on the market, including changes in inventories, was € 204.1 million (€ 204.4 million in the equivalent period of 2022, which however included the costs of Eurofluid Hydraulic S.r.l. for 2 months, but not those of I.MEC S.r.l., IPG Mouldtech India Pvt Ltd or the Waikato group). The incidence of purchase costs, including the change in inventories, was 39.3% (38.3% in 4Q2022).

At unchanged perimeter, distribution expenses rose by 1.5% with respect to 4Q2022, while their incidence on revenues was 0.6% higher.

Also at unchanged perimeter, general and administrative expenses rose by 0.4% with respect to 4Q2022, while their incidence on revenues was 0.6 percentage points higher.

EBITDA totaled € 111.1 million (21.4% of revenues) compared to € 127.2 million (23.9% of revenues) in 4Q2022, reflecting a 12.7% decrease.

The following table sets out EBITDA by business sector:

	<i>4Q2023</i> <i>€/000</i>	<i>% on total</i> <i>revenues*</i>	<i>4Q2022</i> <i>€/000</i>	<i>% on total</i> <i>revenues*</i>	<i>Increase/ Decrease</i>
Hydraulics	70,434	19.2%	86,675	22.0%	-18.7%
Water-Jetting	40,652	26.9%	40,539	28.8%	0.3%
Total	111,086	21.4%	127,214	23.9%	-12.7%

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

EBIT amounted to € 81.8 million (15.7% of revenues) compared with € 93.9 million in 4Q2022 (17.6% of revenues), down by 12.8%.

The effective tax rate for the quarter was 37.9% (28.9% in 4Q2022). The change was adversely affected by a provision for prior-year taxes, € 10.4 million, recorded in relation to a tax assessment that will probably be issued to a subsidiary. The situation, identified during 2023, is the subject of negotiations.

4Q2023 closed with a consolidated net profit of € 37.0 million (€ 55.0 million in 4Q2022), down by 32.8%.

Basic earnings per share were € 0.337, compared to € 0.511 in 4Q2022.

BUSINESS OUTLOOK

In the current year, the Group expects to consolidate the good results achieved during 2023, even though the international environment remains very complex.

Based on available indicators, the Group forecasts that annual turnover will be essentially stable on a comparable basis.

In terms of profitability, the Group will seek to defend the excellent results achieved in 2023.

Sant'Ilario d'Enza (RE), 14 February 2024

For the Board of Directors
Fulvio Montipò
Executive Chairman

Mauro Barani, the manager responsible for drafting the company's accounting documents, declares - pursuant to article 154-(2), subsection 2, TUF - that the accounting disclosures in this document correspond to the contents of the underlying documents, the accounting books and the accounting entries.

Sant'Ilario d'Enza (RE), 14 February 2024

Mauro Barani
Manager responsible for drafting
the company's accounting documents

Financial statements and notes

Consolidated statement of financial position

(€/000)	<u>Notes</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
ASSETS			
Current assets			
Cash and cash equivalents		334,483	358,275
Trade receivables		413,303	433,812
Inventories	4	696,428	683,819
Tax receivables		46,262	45,133
Other current assets		27,693	33,983
Total current assets		1,518,169	1,555,022
Non-current assets			
Property, plant and equipment	5	785,911	681,095
Goodwill	1	784,571	754,944
Other intangible assets		70,773	61,863
Other financial assets		3,293	2,961
Tax receivables		4,297	5,051
Deferred tax assets		72,509	66,184
Other non-current assets		2,912	2,648
Total non-current assets		1,724,266	1,574,746
Assets held for sale	6	-	1,291
Total assets		3,242,435	3,131,059

(€/000)	<u>Notes</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
LIABILITIES			
Current liabilities			
Trade payables		262,941	312,222
Payables to banks		52,469	30,928
Interest-bearing financial payables (current portion)		264,911	288,456
Tax liabilities		39,279	60,662
Other current liabilities		157,545	111,553
Provisions for risks and charges		8,525	13,329
Total current liabilities		785,670	817,150
Non-current liabilities			
Interest-bearing financial payables		503,600	580,675
Liabilities for employee benefits		21,061	20,088
Deferred tax liabilities		54,524	56,947
Tax liabilities		331	355
Other non-current liabilities		60,990	76,745
Provisions for risks and charges		13,355	12,989
Total non-current liabilities		653,861	747,799
Total liabilities		1,439,531	1,564,949
SHAREHOLDERS' EQUITY			
	7		
Share capital		55,625	55,584
Legal reserve		11,323	11,323
Share premium reserve		46,938	39,444
Remeasurement reserve for defined benefit plans		(5,922)	(5,320)
Translation reserve		11,850	18,379
Other reserves		1,673,764	1,434,138
Group shareholders' equity		1,793,578	1,553,548
Non-controlling interests		9,326	12,562
Total shareholders' equity		1,802,904	1,566,110
Total shareholders' equity and liabilities		3,242,435	3,131,059

Consolidated income statement

(€/000)	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Revenues		2,240,039	2,077,964
Cost of sales		(1,460,075)	(1,353,451)
Gross industrial margin		779,964	724,513
Other operating income		42,154	42,703
Distribution expenses		(169,744)	(158,047)
General and administrative expenses		(214,587)	(198,277)
Other operating costs		(8,968)	(26,888)
EBIT		428,819	384,004
Financial income	8	26,515	31,887
Financial charges	8	(78,174)	(47,447)
Equity method contribution		627	235
Profit for the year before taxes		377,787	368,679
Income taxes		(100,271)	(98,930)
Consolidated profit for the year		277,516	269,749
Attributable to:			
Shareholders of Parent		274,269	266,497
Minority shareholders of subsidiaries		3,247	3,252
Consolidated profit for the year		277,516	269,749
Basic earnings per share	9	2.565	2.524
Diluted earnings per share	9	2.556	2.519

Consolidated statement of comprehensive income for the year

(€/000)	<u>2023</u>	<u>2022</u>
Consolidated profit (A)	277,516	269,749
Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	(6,855)	12,162
<i>Gains (losses) from companies accounted for using the equity method</i>	(273)	75
<i>Applicable taxes</i>	-	-
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit or loss, net of the tax effect (B)	(7,128)	12,237
<i>Gains (losses) deriving from the remeasurement of defined benefit plans</i>	(795)	3,872
<i>Applicable taxes</i>	191	(929)
Total other comprehensive income (losses) which will not subsequently be reclassified to consolidated profit or loss, net of the tax effect (C)	(604)	2,943
Comprehensive consolidated profit for the year (A)+(B)+(C)	<u>269,784</u>	<u>284,929</u>
Attributable to:		
Shareholders of Parent	267,138	281,788
Minority shareholders of subsidiaries	2,646	3,141
Comprehensive consolidated profit for the year	<u>269,784</u>	<u>284,929</u>

Consolidated cash flow statement for the year

(€/000)	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Profit before taxes	377,787	368,679
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(2,753)	(5,795)
Amortization and depreciation	103,510	98,420
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	5,290	4,995
Losses (profits) from investments	(627)	(235)
Net change in risk provisions and allocations to employee benefit provisions	(4,869)	7,139
Expenditures for tangible assets to be leased	(14,035)	(4,915)
Proceeds from the disposal of leased tangible assets	7,663	10,808
Net financial charges (revenues)	51,659	15,560
Other	5	-
	523,630	494,656
(Increase) decrease in trade receivables and other current assets	40,262	(93,054)
(Increase) decrease in inventories	(6,688)	(158,552)
Increase (decrease) in trade payables and other current liabilities	(76,367)	59,678
Interest paid	(32,901)	(8,653)
Realized exchange differences	(7,015)	1,599
Taxes paid	(110,660)	(91,802)
Net cash from operating activities	330,261	203,872
Cash flows from investing activities		
Payments for the purchase of investments net of cash received and net of treasury shares assigned	(40,153)	(39,400)
Capital expenditure on property, plant and equipment	(161,702)	(125,410)
Proceeds from the sale of property, plant and equipment	3,382	3,086
Increase in intangible assets	(6,608)	(7,155)
Financial income received	4,377	1,056
Other	3,049	2,359
Net cash (used in) investing activities	(197,655)	(165,464)
Cash flows from financing activities		
Disbursements (repayments) of loans	(120,189)	36,484
Dividends paid	(34,761)	(31,239)
Disbursements for purchase of treasury shares	-	(94,793)
Proceeds from the sale of treasury shares to stock option beneficiaries	2,246	63,027
(Disbursements) repayments of shareholder loans	(946)	(482)
Change in other financial assets	(555)	(36)
Payment of finance lease installments (principal)	(20,548)	(25,915)
Net cash generated by (used in) financing activities	(174,753)	(52,954)
Net increase (decrease) in cash and cash equivalents	(42,147)	(14,546)

(€/000)	<u>2023</u>	<u>2022</u>
Net increase (decrease) in cash and cash equivalents	(42,147)	(14,546)
Translation differences for cash held by non-EU companies	(3,186)	638
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	-	-
Cash and cash equivalents at the beginning of the year	327,347	341,255
Cash and cash equivalents at the end of the year	282,014	327,347

Cash and cash equivalents consist of the following:

	31/12/2023 €/000	31/12/2022 €/000
Cash and cash equivalents as per the consolidated statement of financial position	334,483	358,275
Bank payables (overdrafts and subject-to-collection advances)	(52,469)	(30,928)
Cash and cash equivalents as per the consolidated cash flow statement	282,014	327,347

Consolidated statement of changes in shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholders' equity	Non- controlling interests	Total
<i>At 1 January 2022</i>	55,327	11,323	66,472	(8,170)	6,013	1,197,234	1,328,199	11,465	1,339,664
Recognition in income statement of fair value of stock options granted and exercisable	-	-	4,995	-	-	-	4,995	-	4,995
Purchase of treasury shares	(1,082)	-	(93,711)	-	-	-	(94,793)	-	(94,793)
Sale of treasury shares to stock option beneficiaries	1,339	-	61,688	-	-	-	63,027	-	63,027
Transfer of treasury shares as payment for equity investments	-	-	-	-	-	-	-	-	-
Winding up of subsidiaries	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	(75)	-	65	(10)	(534)	(544)
Dividends paid	-	-	-	-	-	(29,658)	(29,658)	(1,510)	(31,168)
Dividends resolved	-	-	-	-	-	-	-	-	-
Comprehensive income (loss) for 2022	-	-	-	2,925	12,366	266,497	281,788	3,141	284,929
<i>At 31 December 2022</i>	55,584	11,323	39,444	(5,320)	18,379	1,434,138	1,553,548	12,562	1,566,110
Recognition in income statement of fair value of stock options granted and exercisable	-	-	5,289	-	-	-	5,289	-	5,289
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares to stock option beneficiaries	41	-	2,205	-	-	-	2,246	-	2,246
Purchase of residual interests in subsidiaries	-	-	-	-	-	(2,569)	(2,569)	(3,431)	(6,000)
Dividends paid	-	-	-	-	-	(32,074)	(32,074)	(2,451)	(34,525)
Comprehensive income (loss) for 2023	-	-	-	(602)	(6,529)	274,269	267,138	2,646	269,784
<i>At 31 December 2023</i>	55,625	11,323	46,938	(5,922)	11,850	1,673,764	1,793,578	9,326	1,802,904

4Q consolidated income statement

(€/000)		<u>2023</u>	<u>2022</u>
Revenues		519,597	533,025
Cost of sales		(346,806)	(344,989)
Gross industrial margin		172,791	188,036
Other operating income		10,929	10,536
Distribution expenses		(43,961)	(41,770)
General and administrative expenses		(53,392)	(51,286)
Other operating costs		(4,537)	(11,645)
EBIT		81,830	93,871
Financial income	8	6,183	5,621
Financial charges	8	(28,619)	(22,284)
Equity method contribution		143	120
Profit for the period before taxes		59,537	77,328
Income taxes		(22,587)	(22,312)
Consolidated profit for the period		36,950	55,016
Attributable to:			
Shareholders of Parent		36,067	53,940
Minority shareholders of subsidiaries		883	1,076
Consolidated profit for the period		36,950	55,016
Basic earnings per share	9	0.337	0.511
Diluted earnings per share	9	0.337	0.511

4Q consolidated statement of comprehensive income

(€/000)	<u>2023</u>	<u>2022</u>
4Q consolidated profit (A)	36,950	55,016
Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	(7,696)	(43,667)
<i>Gains (losses) from companies accounted for using the equity method</i>	43	(345)
<i>Applicable taxes</i>	-	-
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit or loss, net of the tax effect (B)	(7,653)	(44,012)
<i>Gains (losses) deriving from the remeasurement of defined benefit plans</i>	(795)	3,872
<i>Applicable taxes</i>	191	(929)
Total other comprehensive income (losses) which will not subsequently be reclassified to consolidated profit or loss, net of the tax effect (C)	(604)	2,943
4Q comprehensive consolidated profit (A)+(B)+(C)	<u>28,693</u>	<u>13,947</u>
Attributable to:		
Shareholders of Parent	27,812	14,000
Minority shareholders of subsidiaries	881	(53)
Comprehensive consolidated profit for the period	<u>28,693</u>	<u>13,947</u>

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 Euronext Star Milan segment.

The Group manufactures and markets high and very high pressure plunger pumps, very high pressure systems, machines for the food processing industry, chemicals, cosmetics, pharmaceuticals, mechanical sifters and automated milking systems (Water-Jetting sector), power take-offs, gear pumps, hydraulic cylinders, directional controls, valves, gears and dispersion devices, hydraulic hoses and fittings, orbital motors, steering systems (hydroguide) and other hydraulic components (Hydraulic sector). The Group has production facilities in Italy, the US, Germany, China, India, France, Portugal, Spain, Brazil, Poland, Bulgaria, Romania, Canada, New Zealand and South Korea.

Revenues are not affected by any significant degree of seasonality.

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

The consolidated financial statements at 31 December 2023 were approved by the Board of Directors today (14 February 2024).

Basis of preparation

The consolidated financial statements at 31 December 2023 were prepared in compliance with the international accounting standards (IAS/IFRS) endorsed by the European Union for interim financial statements (IAS 34). The tables have been prepared in compliance with IAS 1, while the notes have been prepared in condensed form, as allowed by IAS 34, and therefore do not include all the information required for annual financial statements prepared in compliance with IFRS standards. Therefore, the consolidated financial statements at 31 December 2023 should be consulted together with the consolidated financial statements for the year ending 31 December 2022.

Preparation of interim financial statements in compliance with IAS 34 - Interim Financial Reporting calls for judgments, estimates, and assumptions that have an effect on assets, liabilities, costs and revenues and on information regarding contingent assets and liabilities at the reporting date. Any estimates made may differ from the actual results obtained in the future. The captions of the financial statements that call for more subjective appraisal by the directors when preparing estimates and for which a change in the conditions underlying the assumptions utilized could have a significant effect on the financial statements are: goodwill, amortization and depreciation of fixed assets, deferred tax assets and liabilities, the allowance for doubtful accounts and the allowance for inventories, provisions for risks and charges, defined benefit plans for employees, liabilities for the acquisition of investments included under other liabilities, and the determination of the fair value of the assets and liabilities acquired in the framework of business combinations.

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 2022, with the exception of those adopted as from 1 January 2023 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 2023 and adopted by 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 applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.
- *Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”*. The IASB published an amendment to this standard on 12 February 2021 in order to introduce a new definition of accounting estimate and clarify the distinction between changes in accounting estimates, changes in accounting policies and corrections of errors. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.
- *Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”*. On 7 May 2021 IASB published an amendment to this standard, which requires companies to recognize deferred tax assets and liabilities on specific transactions that, at the time of initial booking, give rise to equivalent timing differences (taxable and deductible) – for example, see transactions related to leasing contracts. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.

b) Accounting standards, amendments and interpretations taking effect as from 1 January 2023 but not relevant for the Group

- *IFRS 17 Insurance Contracts*: The IASB published an amendment to the applicability of this standard on 19 November 2021, in order to establish principles for the recognition, measurement, presentation and reporting on insurance contracts falling within the scope of application of this standard. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.
- *Amendments to “IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information”*. The IASB published this amendment to the transitional instructions for IFRS 17 on 9 December 2021. The amendment gives insurers an option for the purpose of improving the meaningfulness of the information to be provided to investors on initial application of the new standard. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.

c) *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. In particular, the amendment 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 2024 and must be applied retrospectively. The Group is currently assessing the impact of this amendment on the existing situation.

- *Amendments to “IFRS 16 Leases: Lease Liability in a Sale and Leaseback”*. On 22 September 2022 the IASB published the document entitled *Lease Liability in a Sale and Leaseback*, which amends IFRS 16 and clarifies how to account for a sale and leaseback after the date of the transaction. The amendment applies to reporting periods beginning on or after 1 January 2024. Early application is allowed.
- *Amendments to “IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments”*: On 25 May 2023, in response to investor needs, the IASB published an amendment to the related disclosures that improves transparency with regard to financial indebtedness and its effects on financial liabilities, cash flows and the exposure to liquidity risk.

The new amendment applies to reporting periods beginning on or after 1 January 2024.

- *Amendments to IAS 12 “Income Taxes: International Tax Reform – Pillar Two Model Rules”*. On 24 April 2023, the IASB published a document that introduces a temporary exception to the recognition of deferred taxes linked to application of the Pillar Two rules published by the OECD.

This amendment is effective for annual periods that began on or after 1 January 2023.

- *Amendments to “IAS 21 The effects of changes in foreign exchange rates: lack of exchangeability”*: The IASB published an amendment on 15 August 2023 that contains guidelines to clarify when one currency is exchangeable into another currency and how to determine the exchange rate when, by contrast, it is not exchangeable.

The new amendment applies to reporting periods beginning on or after 1 January 2025 and early adoption is allowed.

- *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*: In June 2023 the ISSB published a standard that establishes general requirements for the disclosure of sustainability-related financial information. The new standard applies to reporting periods beginning on or after 1 January 2024. Early application was allowed.
- *IFRS S2 Climate-related Disclosures*: In June 2023 the ISSB published a standard that requires the disclosure of supplementary information about climate-related risks and opportunities. The amendment applies to reporting periods beginning on or after 1 January 2024. Early application was allowed.

Notes to the consolidated financial statements at 31 December 2023

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1. Scope of consolidation and goodwill

The scope of consolidation at 31 December 2023 includes the Parent company and the following subsidiaries:

<u>Company</u>	<u>Location</u>	<u>Share capital</u> <u>€/000</u>	<u>Sector</u>	<u>% held</u> <u>at 31/12/2023</u>
GP Companies Inc.	Minneapolis (USA)	1,854	Water-Jetting	100.00%
Hammelmann GmbH	Oelde (Germany)	25	Water-Jetting	100.00%
Hammelmann Australia Pty Ltd (1)	Melbourne (Australia)	472	Water-Jetting	100.00%
Hammelmann Corporation Inc (1)	Miamisburg (USA)	39	Water-Jetting	100.00%
Hammelmann S. L. (1)	Zaragoza (Spain)	500	Water-Jetting	100.00%
Hammelmann Pumps Systems Co Ltd (1)	Tianjin (China)	871	Water-Jetting	90.00%
Hammelmann France S.a.r.l. (1)	Etrichè (France)	50	Water-Jetting	100.00%
Hammelmann Swiss GmbH (1)	Dudingén (Switzerland)	89	Water-Jetting	100.00%
Inoxihp S.r.l.	Nova Milanese (MI)	119	Water-Jetting	52.72%
NLB Corporation Inc.	Detroit (USA)	12	Water-Jetting	100.00%
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 Portugal 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 (RE)	10	Water-Jetting	100.00%
Servizi Industriali S.r.l.	Ozzano Emilia (BO)	100	Water-Jetting	80.00%
SIT S.p.A.	S. Ilario d'Enza (RE)	105	Water-Jetting	80.00%
Interpump Hydraulics S.p.A.	Calderara di Reno (BO)	2,632	Hydraulics	100.00%
Contarini Leopoldo S.r.l. (4)	Lugo (RA)	47	Hydraulics	100.00%
Unidro Contarini S.a.s. (5)	Barby (France)	8	Hydraulics	100.00%
Copa Hydrosystem Ood (5)	Troyan (Bulgaria)	3	Hydraulics	100.00%
Hydrocar Chile S.A. (4)	Santiago (Chile)	129	Hydraulics	90.00%
Hydroven S.r.l. (4)	Tezze sul Brenta (VI)	200	Hydraulics	100.00%
Interpump Hydraulics Brasil Ltda (4)	Caxia do Sul (Brazil)	15,126	Hydraulics	100.00%
Interpump Hydraulics France S.a.r.l. (4)	Ennery (France)	76	Hydraulics	99.77%
Interpump Hydraulics India Private Ltd (4)	Hosur (India)	682	Hydraulics	100.00%
Interpump Hydraulics Middle East FZE (4)	Dubai (UAE)	326	Hydraulics	100.00%
Interpump South Africa Pty Ltd (4)	Johannesburg (South Africa)	-	Hydraulics	100.00%

Interim Board of Directors' Report at 31 December 2023 - Interpump Group

<u>Company</u>	<u>Location</u>	<u>Share capital</u> <u>€/000</u>	<u>Sector</u>	<u>% held</u> <u>at 31/12/2023</u>
Eurofluid Hydraulic S.r.l. (4)	Albinea (RE)	100	Hydraulics	80.00%
Interpump Hydraulics (UK) Ltd. (4)	Kidderminster (United Kingdom)	13	Hydraulics	100.00%
Mega Pacific Pty Ltd (6)	Newcastle (Australia)	335	Hydraulics	100.00%
Mega Pacific NZ Pty Ltd (6)	Mount Maunganui (New Zealand)	557	Hydraulics	100.00%
Muncie Power Prod. Inc. (4)	Muncie (USA)	784	Hydraulics	100.00%
North American Manufacturing Inc. (7)	Fairmount (USA)	3,410	Hydraulics	100.00%
Hydra Dyne Tech Inc (7)	Ingersoll (Canada)	80	Hydraulics	89.99%
Oleodinamica Panni S.r.l. (4)	Tezze sul Brenta (VI)	2,000	Hydraulics	100.00%
Wuxi Interpump Weifu Hydraulics Company Ltd (4)	Wuxi (China)	2,095	Hydraulics	65.00%
IMM Hydraulics S.p.A. (4)	Atessa (Switzerland)	520	Hydraulics	100.00%
IFS France S.a.r.l. (8)	Strasbourg (France)	162	Hydraulics	100.00%
Interpump Fluid Solutions Germany GmbH (8)	Meinerzhagen (Germany)	52	Hydraulics	100.00%
IMM Hydro Est (8)	Catcau Cluj Napoca (Romania)	3,155	Hydraulics	100.00%
FGA S.r.l. (8)	Fossacesia (CH)	10	Hydraulics	100.00%
Innovativ Gummi Tech S.r.l. (8)	Ascoli Piceno (AP)	4,100	Hydraulics	100.00%
Tekno Tubi S.r.l. (8)	Terre del Reno (FE)	100	Hydraulics	100.00%
Tubiflex S.p.A.	Orbassano (TO)	515	Hydraulics	100.00%
Walvoil S.p.A.	Reggio Emilia	7,692	Hydraulics	100.00%
Walvoil Fluid Power Corp. (9)	Tulsa (USA)	137	Hydraulics	100.00%
Walvoil Fluid Power (India) Pvt. Ltd. (9)	Bangalore (India)	4,803	Hydraulics	100.00%
Walvoil Fluid Power Korea Llc. (9)	Pyeongtaek (South Korea)	453	Hydraulics	100.00%
Walvoil Fluid Power France S.a.r.l. (9)	Vritz (France)	10	Hydraulics	100.00%
Walvoil Fluid Power Australasia (9)	Melbourne (Australia)	7	Hydraulics	100.00%
Walvoil Canada Inc. (9)	Terrebonne, Quebec (Canada)	76	Hydraulics	100.00%
Walvoil Fluid Power (Dongguan) Co., Ltd (9)	Dongguan (China)	3,720	Hydraulics	100.00%
IPG Mouldtech India Pvt Ltd (9)	Coimbatore (India)	298	Hydraulics	85.00%
Reggiana Riduttori S.r.l.	S.Polo d'Enza (RE)	6,000	Hydraulics	100.00%
RR USA Inc. (12)	Boothwyn (USA)	1	Hydraulics	100.00%
RR Canada Inc. (12)	Vaughan (Canada)	1	Hydraulics	100.00%
RR Holland BV (12)	Oosterhout (Netherlands)	19	Hydraulics	100.00%
RR France S.a.r.l. (12)	Thouare sur Loire (France)	400	Hydraulics	95.00%
RR Slovakia A.S. (12)	Zvolen (Slovakia)	340	Hydraulics	100.00%
RR Pacific Pty Ltd (12)	Victoria (Australia)	249	Hydraulics	100.00%
RR India Pvt. Ltd (12) (dormant)	New Delhi (India)	52	Hydraulics	99.99%
Reggiana Riduttori (Suzhou) Co. Ltd (12)	Suzhou (China)	600	Hydraulics	100.00%
Transtecno S.r.l.	Anzola dell'Emilia (BO)	100	Hydraulics	80.00%
Draintech S.r.l. (13)	Anzola dell'Emilia (BO)	10	Hydraulics	80.00%
Hangzhou Interpump Power Transmissions Co. Ltd (13)	Hangzhou (China)	575	Hydraulics	100.00%
Transtecno Iberica the Modular Gearmotor S.A. (13)	Gava (Spain)	203	Hydraulics	70.00%
MA Transtecno S.A.P.I. de C.V. (13)	Apodaca (Mexico)	124	Hydraulics	70.00%
Transtecno USA LLC (15)	Miami (USA)	3	Hydraulics	100.00%
Transtecno BV (13)	Amersfoort (Netherlands)	18	Hydraulics	51.00%
Transtecno Aandrijftechniek (Netherlands) (14)	Amersfoort (Netherlands)	-	Hydraulics	51.00%
White Drive Motors and Steering Sp zoo	Wroclaw (Poland)	33,254	Hydraulics	100.00%
White Drive Motors and Steering GmbH	Parchim (Germany)	33,595	Hydraulics	100.00%
White Drive Motors and Steering, LLC	Hopkinsville (USA)	67,920	Hydraulics	100.00%
Interpump Piping GS S.r.l.	Reggio Emilia	10	Hydraulics	100.00%

Interim Board of Directors' Report at 31 December 2023 - Interpump Group

<i>Company</i>	<i>Location</i>	<i>Share capital €/000</i>	<i>Sector</i>	<i>% held at 31/12/2023</i>
GS-Hydro Singapore Pte Ltd (10)	Singapore	624	Hydraulics	100.00%
GS-Hydro Korea Ltd. (10)	Busan (South Korea)	1,892	Hydraulics	100.00%
GS-Hydro Piping Systems (Shanghai) Co. Ltd. (11)	Shanghai (China)	2,760	Hydraulics	100.00%
GS-Hydro Benelux B.V. (10)	Barendrecht (Netherlands)	18	Hydraulics	100.00%
GS-Hydro Austria GmbH (10)	Pashing (Austria)	40	Hydraulics	100.00%
GS-Hydro Sp Z O O (Poland) (10)	Gdynia (Poland)	1,095	Hydraulics	100.00%
GS Hydro Denmark AS (10)	Kolding (Denmark)	67	Hydraulics	100.00%
GS-Hydro S.A.U (Spain) (10)	Las Rozas (Spain)	90	Hydraulics	100.00%
Suministros Franquesa S.A. (16)	Lleida (Spain)	160	Hydraulics	100.00%
GS-Hydro U.S. Inc. (7)	Houston (USA)	9,903	Hydraulics	100.00%
GS-Hydro do Brasil Sistemas Hidraulicos Ltda (10)	Rio de Janeiro (Brazil)	252	Hydraulics	100.00%
GS-Hydro System GmbH (Germany) (10)	Witten (Germany)	179	Hydraulics	100.00%
GS- Hydro UK Ltd (10)	Aberdeen (United Kingdom)	5,095	Hydraulics	100.00%
GS-Hydro Ab (Sweden) (10)	Kista (Sweden)	120	Hydraulics	100.00%
GS-Hydro Hong Kong Ltd (1)	Hong Kong	1	Hydraulics	100.00%
IMM Hydraulics Ltd (dormant) (6)	Kidderminster (United Kingdom)	-	Hydraulics	100.00%
Bristol Hose Ltd (dormant) (6)	Bristol (United Kingdom)	-	Hydraulics	100.00%
I.MEC S.r.l.	Reggio Emilia	100	Water-Jetting	70.00%
Waikato Holding Limited (NZ)	Auckland (New Zealand)	32,210	Water-Jetting	100.00%
Waikato Milking Systems L.P. (NZ) (17)	Auckland (New Zealand)	46,803	Water-Jetting	100.00%
Waikato Milking Systems Lease Limited (NZ) (18)	Auckland (New Zealand)	-	Water-Jetting	100.00%
Waikato Milking Systems USA LLC (19)	Verona (USA)	-	Water-Jetting	100.00%
Waikato Milking Systems UK Limited (18)	Shrewsbury (United Kingdom)	-	Water-Jetting	100.00%
Waikato Milking Systems Ireland Limited (18)	Dublin (Ireland)	1	Water-Jetting	100.00%
Hi-Tech Enviro Solution Limited (NZ) (dormant) (18)	Auckland (New Zealand)	-	Water-Jetting	100.00%
WMS GP Limited (NZ) (18) (dormant)	Hamilton (New Zealand)	-	Water-Jetting	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.

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

(11) = controlled by GS Hydro Hong Kong Ltd

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

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

(14) = controlled by Transtecno B.V.

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

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

(17) = controlled by Waikato Holding Limited

(18) = controlled by Waikato Milking Systems LP

(19) = controlled by Waikato Milking Systems Lease LTD

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

Compared with 2022, IPG Mouldtech India Pvt Ltd, acquired in 1Q2023, has been consolidated in the Hydraulic sector on a line-by-line basis with effect from 31 March 2023. Benmec S.r.l. - previously not consolidated on a line-by-line basis as immaterial - was absorbed by Transtecno S.r.l. with effect from 1 January 2023, thus contributing in full to all the consolidated data.

Minority interests were acquired in Hangzhou Transtecno Power Transmission, now wholly owned, as well as in Transtecno Iberica and MA Transtecno S.A.P.I., now both 70% owned. Agreement was reached for the partial early exercise of the options to purchase/sell the minority interests in Hydra Dyne, which is now 89.99% owned.

Additionally, Interpump Antriebstechnik GmbH was formed on 10 October 2023 and has been consolidated using the equity method.

In the Water-Jetting sector, I.Mec S.r.l. acquired in April 2023 and the Waikato group acquired in May 2023 have been consolidated on a line-by-line basis with effect from 31 May 2023.

Lastly, Teknova S.r.l. was liquidated on 28 December 2023.

Rights of minorities to dispose of their holdings (put options)

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.

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.

Rights and obligations of minorities to dispose of their holdings (put & call options)

The minority shareholder of Hydra Dyne has the right and obligation to dispose of its holdings starting from approval of the 2028 financial statements based on the average of the results for the two years prior to exercise of the option.

The minority quotaholder of Transtecno S.r.l. has the right and obligation to dispose of its holdings during 2024, based on the results for the year prior to exercise of the option.

The minority quotaholder of Eurofluid Hydraulic S.r.l. has the right and obligation to dispose of its holdings on the approval date of the financial statements at 31 December 2025. The price of this option has been fixed by contractual agreement.

The minority shareholder of IPG Mouldtech India Pvt Ltd has the right and obligation to dispose of its holdings by 30 June 2027, based on the results for the year prior to exercise of the option.

The minority quotaholder of I.Mec S.r.l. has the right and obligation to dispose of its holdings in two tranches, the first starting sixty days after approval of the 2025 financial statements, and the second starting from approval of the 2027 financial statements.

Obligations of the Group to purchase minority holdings

Interpump Group S.p.A. is required to purchase the residual 20% interest in Servizi Industriali S.r.l. in due tranches, the first starting from approval of the 2024 financial statements, and the second - following new agreements reached with the non-controlling interest during the year - starting from approval of the 2026 financial statements.

Furthermore, also following new agreements reached with the non-controlling interest during the year, the Group is required to purchase the residual 20% interest in Draintech S.r.l. commencing from approval of the 2023 financial statements.

In compliance with the requirements of IFRS 10 and IFRS 3, Inoxihp S.r.l., Inoxpa Solution Moldova, Hydra Dyne Tech Inc., Transtecno S.r.l., Servizi Industriali S.r.l., Draintech S.r.l., Eurofluid Hydraulic S.r.l., IPG Mouldtech India Pvt Ltd and I.Mec S.r.l. have been consolidated in full, recording a payable representing an estimate of the present value of the exercise price of the options determined with reference to the business plans of the companies. Any changes in the above payable identified within 12 months of the date of acquisition, as a result of additional or better information, will be recorded as an adjustment of goodwill, while any changes emerging more than 12 months after the date of acquisition will be recognized in the income statement.

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

Changes in goodwill were as follows in 2023:

<u>Company:</u>	<u>Balance at 31/12/2022</u>	<u>Increases in the year</u>	<u>(Decreases) in the year</u>	<u>Changes due to foreign exchange differences</u>	<u>Balance at 31/12/2023</u>
Water-Jetting	216,115	15,573	-	(1,596)	230,092
Hydraulics	538,829	6,497	-	9,153	554,479
Total goodwill	754,944	22,070	-	7,557	784,571

In the Hydraulic sector, the increases in goodwill during 2023 relate to the purchase of IPG Mouldtech India Pvt Ltd (€ 6,191 thousand) and to the absorption of Benmec (previously measured using the equity method) by Transtecno S.r.l. (€ 306 thousand).

In the Water-Jetting sector, the increases relate to the acquisition of I.Mec S.r.l. (€ 15,259 thousand) and the acquisition of Waikato group (€ 314 thousand).

The changes due to foreign exchange differences relate to the goodwill denominated in foreign currencies.

2. Business sector information

Business sector information is supplied with reference to the operating sectors. The information required by IFRS by geographical area is also presented. 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 revenues.

Business sectors

The Group comprises the following business sectors:

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

Hydraulic sector. This sector includes the production and sale of power take-offs, hydraulic cylinders and pumps, directional controls, valves, rotary unions, hydraulic hoses and fittings, gears, orbital motors, steering systems (hydroguide) and other hydraulic components. Power take-offs are mechanical units used to transmit energy from the engine or gearbox of an industrial vehicle in order to drive, via hydraulic components, its various applications. These products, combined with other hydraulic components (spool valves, controls, etc.) allow the execution of special functions such as lifting tipping bodies, operating truck-mounted cranes and operating mixer trucks. 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. Orbital motors are used on industrial vehicles, in the construction sector, in earth-moving machines and in agricultural machinery. The Group also designs and makes piping systems for the industrial, naval and offshore sectors.

Interpump Group business sector information**(Amounts shown in €/000)****Cumulative at 31 December**

	Hydraulics		Water-Jetting		Elimination entries		Interpump Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues outside the Group	1,634,323	1,541,623	605,716	536,341	-	-	2,240,039	2,077,964
Inter-sector revenues	2,685	3,372	5,196	4,012	(7,881)	(7,384)	-	-
Total revenues	1,637,008	1,544,995	610,912	540,353	(7,881)	(7,384)	2,240,039	2,077,964
Cost of sales	(1,130,870)	(1,068,061)	(337,134)	(292,813)	7,929	7,423	(1,460,075)	(1,353,451)
Gross industrial margin	506,138	476,934	273,778	247,540	48	39	779,964	724,513
<i>% of revenues</i>	<i>30.9%</i>	<i>30.9%</i>	<i>44.8%</i>	<i>45.8%</i>			<i>34.8%</i>	<i>34.9%</i>
Other operating income	34,643	34,927	8,409	8,869	(898)	(1,093)	42,154	42,703
Distribution expenses	(102,914)	(98,038)	(67,222)	(60,611)	392	602	(169,744)	(158,047)
General and administrative expenses	(142,675)	(135,265)	(72,370)	(63,464)	458	452	(214,587)	(198,277)
Other operating costs	(7,602)	(25,572)	(1,366)	(1,316)	-	-	(8,968)	(26,888)
EBIT	287,590	252,986	141,229	131,018	-	-	428,819	384,004
<i>% of revenues</i>	<i>17.6%</i>	<i>16.4%</i>	<i>23.1%</i>	<i>24.2%</i>			<i>19.1%</i>	<i>18.5%</i>
Financial income	18,865	23,560	11,909	9,838	(4,259)	(1,511)	26,515	31,887
Financial charges	(41,827)	(35,904)	(40,606)	(13,054)	4,259	1,511	(78,174)	(47,447)
Dividends	-	-	36,475	42,200	(36,475)	(42,200)	-	-
Equity method contribution and write-downs of investments	615	207	(4,933)	28	4,945	-	627	235
Profit for the year before taxes	265,243	240,849	144,074	170,030	(31,530)	(42,200)	377,787	368,679
Income taxes	(68,134)	(62,738)	(32,137)	(36,192)	-	-	(100,271)	(98,930)
Consolidated profit for the year	197,109	178,111	111,937	133,838	(31,530)	(42,200)	277,516	269,749
Attributable to:								
Shareholders of Parent	194,839	175,727	110,960	132,970	(31,530)	(42,200)	274,269	266,497
Minority shareholders of subsidiaries	2,270	2,384	977	868	-	-	3,247	3,252
Consolidated profit for the year	197,109	178,111	111,937	133,838	(31,530)	(42,200)	277,516	269,749
<u>Further information required by IFRS 8</u>								
Amortization, depreciation and write-downs	78,193	75,819	25,317	22,601	-	-	103,510	98,420
Other non-monetary costs	7,490	12,523	9,094	5,353	(4,945)	-	11,639	17,876

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

Q4

	Hydraulics		Water-Jetting		Elimination entries		Interpump Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues outside the Group	365,687	393,169	153,910	139,856			519,597	533,025
Inter-sector revenues	506	881	1,209	1,006	(1,715)	(1,887)	-	-
Total revenues	366,193	394,050	155,119	140,862	(1,715)	(1,887)	519,597	533,025
Cost of sales	(261,991)	(271,123)	(86,546)	(75,778)	1,731	1,912	(346,806)	(344,989)
Gross industrial margin	104,202	122,927	68,573	65,084	16	25	172,791	188,036
<i>% of revenues</i>	28.5%	31.2%	44.2%	46.2%			33.3%	35.3%
Other operating income	8,457	8,576	2,800	2,358	(328)	(398)	10,929	10,536
Distribution expenses	(25,861)	(25,755)	(18,275)	(16,251)	175	236	(43,961)	(41,770)
General and administrative expenses	(34,031)	(35,160)	(19,498)	(16,263)	137	137	(53,392)	(51,286)
Other operating costs	(4,019)	(10,821)	(518)	(824)	-	-	(4,537)	(11,645)
EBIT	48,748	59,767	33,082	34,104	-	-	81,830	93,871
<i>% of revenues</i>	13.3%	15.2%	21.3%	24.2%			15.7%	17.6%
Financial income	3,671	2,592	3,486	3,727	(974)	(698)	6,183	5,621
Financial charges	(15,299)	(15,381)	(14,294)	(7,601)	974	698	(28,619)	(22,284)
Dividends	-	-	225	1,200	(225)	(1,200)	-	-
Equity method contribution and write-downs of investments	136	125	(4,938)	(5)	4,945	-	143	120
Profit for the period before taxes	37,256	47,103	17,561	31,425	4,720	(1,200)	59,537	77,328
Income taxes	(8,189)	(10,604)	(14,398)	(11,708)	-	-	(22,587)	(22,312)
Consolidated profit for the period	29,067	36,499	3,163	19,717	4,720	(1,200)	36,950	55,016
Attributable to:								
Shareholders of Parent	28,460	35,776	2,887	19,364	4,720	(1,200)	36,067	53,940
Minority shareholders of subsidiaries	607	723	276	353	-	-	883	1,076
Consolidated profit for the period	29,067	36,499	3,163	19,717	4,720	(1,200)	36,950	55,016
Further information required by IFRS 8								
Amortization, depreciation and write-downs	20,150	18,980	7,172	6,195	-	-	27,322	25,175
Other non-monetary costs	3,877	9,584	6,260	2,365	(4,945)	-	5,192	11,949

Financial position
(Amounts shown in €/000)

	Hydraulics		Water-Jetting		Elimination entries		Interpump Group	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Assets by sector	2,131,281	2,071,141	858,219	831,227	(81,548)	(130,875)	2,907,952	2,771,493
Assets held for sale	-	1,291	-	-	-	-	-	1,291
Assets of the sector (A)	2,131,281	2,072,432	858,219	831,227	(81,548)	(130,875)	2,907,952	2,772,784
Cash and cash equivalents							334,483	358,275
Total assets							3,242,435	3,131,059
Liabilities of the sector (B)	443,044	559,297	175,891	173,656	(81,548)	(130,875)	537,387	602,078
Debts for the acquisition of equity investments							81,164	62,812
Payables to banks							52,469	30,928
Interest-bearing financial payables							768,511	869,131
Total liabilities							1,439,531	1,564,949
Total assets, net (A-B)	1,688,237	1,513,135	682,328	657,571			2,370,565	2,170,706
Further information required by IFRS 8								
Investments measured using the equity method	999	1,099	563	570			1,562	1,669
Non-current assets other than financial assets and deferred tax assets	1,215,942	1,118,921	432,522	386,680			1,648,464	1,505,601

The full year and Q4 comparison of the Hydraulic sector at unchanged perimeter is as follows:

	Year		Q4	
	2023	2022	2023	2022
Revenues outside the Group	1,609,338	1,541,623	363,499	393,169
Inter-sector revenues	2,683	3,372	506	881
Total revenues	1,612,021	1,544,995	364,005	394,050
Cost of sales	(1,114,462)	(1,068,061)	(260,523)	(271,123)
Gross industrial margin	497,559	476,934	103,482	122,927
<i>% of revenues</i>	<i>30.9%</i>	<i>30.9%</i>	<i>28.4%</i>	<i>31.2%</i>
Other operating income	34,164	34,927	8,410	8,576
Distribution expenses	(101,920)	(98,038)	(25,760)	(25,755)
General and administrative expenses	(141,005)	(135,265)	(33,838)	(35,160)
Other operating costs	(7,595)	(25,572)	(4,019)	(10,821)
EBIT	281,203	252,986	48,275	59,767
<i>% of revenues</i>	<i>17.4%</i>	<i>16.4%</i>	<i>13.3%</i>	<i>15.2%</i>
Financial income	18,927	23,560	3,691	2,592
Financial charges	(41,538)	(35,904)	(15,271)	(15,381)
Equity method contribution and write-downs of investments	615	207	136	125
Profit for the period before taxes	259,207	240,849	36,831	47,103
Income taxes	(66,510)	(62,738)	(8,068)	(10,604)
Consolidated profit for the period	192,697	178,111	28,763	36,499
Attributable to:				
Shareholders of Parent	190,427	175,727	28,156	35,776
Minority shareholders of subsidiaries	2,270	2,384	607	723
Consolidated profit for the period	192,697	178,111	28,763	36,499

The full year and Q4 comparison of the Water Jetting sector at unchanged perimeter is as follows:

	Year		Q4	
	2023	2022	2023	2022
Revenues outside the Group	575,571	536,341	140,345	139,856
Inter-sector revenues	5,060	4,012	1,190	1,006
Total revenues	580,631	540,353	141,535	140,862
Cost of sales	(317,504)	(292,813)	(78,061)	(75,778)
Gross industrial margin	263,127	247,540	63,474	65,084
% of revenues	45.3%	45.8%	44.8%	46.2%
Other operating income	7,970	8,869	2,587	2,358
Distribution expenses	(63,588)	(60,611)	(16,829)	(16,251)
General and administrative expenses	(67,598)	(63,464)	(17,758)	(16,263)
Other operating costs	(1,165)	(1,316)	(370)	(824)
EBIT	138,746	131,018	31,104	34,104
% of revenues	23.9%	24.2%	22.0%	24.2%
Financial income	10,951	9,838	2,585	3,727
Financial charges	(37,417)	(13,054)	(12,749)	(7,601)
Dividends	36,475	42,200	225	1,200
Equity method contribution and write-downs of investments	(4,933)	28	(4,938)	(5)
Profit for the period before taxes	143,822	170,030	16,227	31,425
Income taxes	(32,227)	(36,192)	(14,890)	(11,708)
Consolidated profit for the period	111,595	133,838	1,337	19,717
Attributable to:				
Shareholders of Parent	110,618	132,970	1,061	19,364
Minority shareholders of subsidiaries	977	868	276	353
Consolidated profit for the period	111,595	133,838	1,337	19,717

Cash flows for the year by business sector are as follows:

€/000	Hydraulics		Water-Jetting		Total	
	2023	2022	2023	2022	2023	2022
Cash flows from:						
Operating activities	254,081	99,578	76,180	104,294	330,261	203,872
Investing activities	(140,570)	(133,541)	(57,085)	(31,923)	(197,655)	(165,464)
Financing activities	(78,311)	(32,079)	(96,442)	(20,875)	(174,753)	(52,954)
Total	(35,200)	(66,042)	(77,347)	51,496	(42,147)	(14,546)

Investing activities in the Hydraulic sector included € 2,171 thousand associated with the acquisition of equity investments (€ 33,800 thousand in 2022) and expenditure on property, plant and equipment totaling € 139,497 thousand (€ 101,969 thousand in 2022).

The investing activities of the Water-Jetting sector included € 37,982 thousand associated with the acquisition of equity investments (€ 5,600 thousand in 2022).

The cash flows deriving from the financing activities of the Water-Jetting sector included proceeds from the sale of treasury shares to the beneficiaries of stock options totaling € 2,246 thousand (€ 63,027 thousand in 2022), zero outlays for the purchase of treasury shares (€ 94,793 thousand in 2022) and the payment of dividends of € 32,567 thousand (€ 30,077 thousand in 2022).

The cash flows deriving from the financing activities of the Hydraulic sector include the payment of dividends to Water-Jetting Sector companies totaling € 36,475 thousand (€ 42,200 thousand in 2022).

3. Acquisition of investments

Indoshell Automotive System India P.L. (now IPG Mouldtech India Pvt Ltd.), I.Mec S.r.l. and the Waikato group were acquired during 2023.

The PPA of Eurofluid Hydraulic S.r.l., analyzed below, was finalized at 31 December 2023 without changes with respect to that published at 31 December 2022.

Work on the PPA of IPG Mouldtech India Pvt Ltd, officially due to be finalized by 20 February 2024, is also considered complete since no further changes are expected to the opening balances presented below.

The PPAs of I.Mec. Srl and the Waikato group are still open and their opening balances are presented below using the information available at 31 December 2023.

Eurofluid Hydraulic S.r.l.

The acquisition of 80% of Eurofluid Hydraulic S.r.l. was completed on 20 October 2022. This company, founded in 1994, is specialized in the manufacture of high-end hydraulic blocks. Solely for accounting purposes, 1 November 2022 was designated as the acquisition date, there being no significant differences with respect to the actual acquisition date.

The definitive purchase price allocation at 31 December 2023 is presented below:

€/000	Amounts acquired	Adjustments to fair value _€	Carrying values in the acquiring company
Cash and cash equivalents	2,985	-	2,985
Trade receivables	6,189	-	6,189
Inventories	3,919	-	3,919
Tax receivables	1,688	-	1,688
Other current assets	33	-	33
Property, plant and equipment	8,298	-	8,298
Other intangible assets	1,093	-	1,093
Deferred tax assets	105	-	105
Other non-current assets	-	-	-
Trade payables	(3,659)	-	(3,659)
Payables to banks	(2,728)	-	(2,728)
Tax liabilities	(1,524)	-	(1,524)
Other current liabilities	(1,527)	-	(1,527)
Leasing payables	(35)	-	(35)
Deferred tax liabilities	(301)	-	(301)
Provision for risks and charges	(121)	-	(121)
Employee benefits (severance indemnity provision)	(1,172)	-	(1,172)
Net assets acquired	13,243	-	13,243
Goodwill related to the acquisition			18,911
Total net assets acquired			32,154
Total amount paid in cash			26,400
Amount paid by assigning treasury shares			-
Amount payable			5,754
Total acquisition cost (A)			32,154
Net financial position acquired (B)			(222)
Total amount paid in cash			26,400
Amount payable			5,754
Total change in net financial position			31,932
Capital employed (A) - (B)			31,932

The transaction was recorded using the acquisition method.

The goodwill was allocated in full to the Hydraulic CGU and is not relevant for tax purposes.

IPG Mouldtech India Pvt Ltd.

On 20 February 2023, 85% of the capital of Indoshell Automotive System India P.L. (now IPG Mouldtech India Pvt Ltd.) was purchased from Indoshell Mould Limited, an Indian Group specialized in the smelting of ferrous and non-ferrous metals (cast iron and aluminum). Solely for accounting purposes, 31 March 2023 was designated as the acquisition date, there being no significant differences with respect to the actual acquisition date.

The definitive purchase price allocation at 31 December 2023 is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying values in the acquiring company
Cash and cash equivalents	644	-	644
Trade receivables	568	-	568
Inventories	255	-	255
Tax receivables	323	-	323
Other current assets	848	-	848
Property, plant and equipment	2,216	-	2,216
Other intangible assets	1	-	1
Deferred tax assets	210	-	210
Other non-current assets	498	-	498
Trade payables	(1,627)	-	(1,627)
Payables to banks	-	-	-
Tax liabilities	(204)	-	(204)
Other current liabilities	(1,118)	-	(1,118)
Leasing payables	-	-	-
Deferred tax liabilities	-	-	-
Provision for risks and charges	-	-	-
Other medium/long-term liabilities	(345)	-	(345)
Net assets acquired	2,269	-	2,269
Goodwill related to the acquisition			6,191
Total net assets acquired			8,460
Total amount paid in cash			7,785
Amount paid by assigning treasury shares			-
Amount payable			675
Total acquisition cost (A)			8,460
Net financial position acquired (B)			(644)
Total amount paid in cash			7,785
Amount payable			675
Total change in net financial position			7,816
Capital employed (A) - (B)			7,816

The amounts for the company were translated using the exchange rates at 31 March 2023.

The transaction was recorded using the acquisition method.

The goodwill was allocated in full to the Hydraulic CGU and is not relevant for tax purposes.

I.Mec S.r.l.

On 20 April 2023 Interpump Group announced the acquisition of 70% of the capital of I.Mec S.r.l. Formed in 1989 and based in Reggio Emilia, this company is specialized in the production of mechanical sifters for various sectors of application, including ceramics, recycling, filtration, food processing and cosmetics.

The value of this operation has been fixed at approximately € 14 million and “put and call” mechanisms have defined, through which the counterparties can purchase and sell the remaining 30% in two tranches, the first exercisable from June 2026 and the second from April 2028.

The provisional purchase price allocation at 31 December 2023 is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying values in the acquiring company
Cash and cash equivalents	2,721	-	2,721
Trade receivables	6,092	-	6,092
Inventories	2,350	-	2,350
Tax receivables	493	-	493
Other current assets	305	-	305
Property, plant and equipment	3,033	-	3,033
Other intangible assets	16	-	16
Other financial fixed assets	12	-	12
Deferred tax assets	126	-	126
Other non-current assets	67	-	67
Trade payables	(3,126)	-	(3,126)
Payables to banks	-	-	-
Tax liabilities	(52)	-	(52)
Other current liabilities	(650)	-	(650)
Leasing payables	(2,519)	-	(2,519)
Deferred tax liabilities	(4)	-	(4)
Provision for risks and charges	(80)	-	(80)
Employee benefits (severance indemnity provision)	(943)	-	(943)
Net assets acquired	7,841	-	7,841
Goodwill related to the acquisition			15,259
Total net assets acquired			23,100
Total amount paid in cash			14,000
Amount paid by assigning treasury shares			-
Amount payable			9,100
Total acquisition cost (A)			23,100
Net financial position acquired (B)			(202)
Total amount paid in cash			14,000
Amount payable			9,100
Total change in net financial position			22,898
Capital employed (A) - (B)			22,898

The transaction was recorded using the acquisition method.

The goodwill was allocated in full to the Water-Jetting CGU and is not relevant for tax purposes.

Waikato group

On 18 May 2023 Interpump Group announced the acquisition of 100% of the capital of the Waikato group. With more than 50 years of history, this group leads the automated milking market in New Zealand and Australia. This reflects the constant development and technological innovation that has enabled progression from the design and production of components in the late 1970s, to the current offer of automated and integrated systems.

The provisional purchase price allocation at 31 December 2023 is presented below:

€/000	Amounts acquired	Adjustments to fair value	Carrying values in the acquiring company
Cash and cash equivalents	1,837	-	1,837
Trade receivables	9,200	-	9,200
Inventories	13,009	-	13,009
Tax receivables	159	-	159
Other current assets	1,054	-	1,054
Property, plant and equipment	4,815	-	4,815
Other intangible assets	13,018	-	13,018
Deferred tax assets	160	-	160
Other non-current assets	-	-	-
Trade payables	(4,475)	-	(4,475)
Payables to banks	(11,013)	-	(11,013)
Tax liabilities	(134)	-	(134)
Other current liabilities	(3,783)	-	(3,783)
Leasing payables	(3,922)	-	(3,922)
Deferred tax liabilities	(10)	-	(10)
Provision for risks and charges	-	-	-
Employee benefits (severance indemnity provision)	-	-	-
Net assets acquired	19,915	-	19,915
Goodwill related to the acquisition			314
Total net assets acquired			20,229
Total amount paid in cash			20,229
Amount paid by assigning treasury shares			-
Amount payable			-
Total acquisition cost (A)			20,229
Net financial position acquired (B)			13,098
Total amount paid in cash			20,229
Amount payable			-
Total change in net financial position			33,327
Capital employed (A) - (B)			33,327

The transaction was recorded using the acquisition method.

The amounts for group companies not resident in the EU were translated using the exchange rates at 31 May 2023.

The goodwill was allocated in full to the Water-Jetting CGU and is not relevant for tax purposes.

4. Inventories and detail of changes in the Inventories allowance

	31/12/2023	31/12/2022
	€/000	€/000
Inventories, gross value	745,399	730,568
Allowance for inventories	(48,971)	(46,749)
Inventories	696,428	683,819

Changes in the allowance for inventories were as follows:

	2023	2022
	€/000	€/000
Opening balances	46,749	42,757
Exchange rate difference	(694)	376
Change in consolidation basis	1,575	2,278
Provisions for the year	4,528	5,380
Releases in the year to cover losses	(2,164)	(3,599)
Release of excess provisions in the year	(1,023)	(443)
Closing balance	48,971	46,749

5. Property, plant and equipment

Purchases and disposals

In 2023 Interpump Group acquired assets for € 218,972 thousand, of which € 11,016 thousand through the acquisition of equity investments (€ 157,664 thousand in 2022, of which € 8,781 thousand through the acquisition of equity investments). Assets retired in 2023 had a net carrying amount of € 8,562 thousand (€ 8,162 thousand in 2022). Divested assets generated a net capital gain of € 2,753 thousand (€ 5,795 thousand in 2022).

Contractual commitments

At 31 December 2023 the Group has contractual commitments for the purchase of tangible fixed assets totaling € 4,341 thousand (€ 3,311 thousand at 31 December 2022). This amount mainly reflects commitments signed for the renewal of installations and the construction of new buildings.

6. Assets held for sale

The Group did not have any assets classified as held for sale at 31 December 2023. At 31 December 2022, the Group classified a building among the assets held for sale, with reference to a preliminary sale agreement that was completed during 3Q2023.

7. Shareholders' equity

Share capital

Share capital comprises 108,879,294 ordinary shares with a unit par value of € 0.52 totaling € 56,617,232.88. However, the share capital reported in the financial statements amounts to € 55,625 thousand, since the nominal value of purchased treasury shares, net of those sold, has been deducted from share capital in compliance with the reference accounting standards. At 31 December 2023 Interpump S.p.A. holds 1,908,863 treasury shares in the portfolio, corresponding to 1.753% of share capital, acquired at an average unit cost of € 38.7871.

Treasury shares purchased

The amount of the treasury shares held by Interpump Group S.p.A. is recorded in an equity reserve. The Group did not acquire any treasury shares during 2023 (2,080,000 treasury shares were purchased in 2022 for € 94,793 thousand).

Treasury shares sold

In the framework of the exercise of stock options, a total of 79,000 options were exercised, resulting in proceeds of € 2,246 thousand (2,572,780 options were exercised for € 63,027 thousand in 2022). As in 2022, no treasury shares were divested during 2023 in payment for equity investments.

Dividends

An ordinary dividend (coupon clipping date of 22 May) of € 0.30 per share was distributed on 24 May 2023 (€ 0.28 in 2022).

Stock options

The Shareholders' Meeting held on 29 April 2022 approved a new stock option plan, the "Interpump Incentive Plan 2022/2024", that envisages the assignment of up to 2,250,000 options at an exercise price of € 38.6496 and, for options assigned after 29 April 2023, at the official price determined by Borsa Italiana on the trading day prior to their assignment. At the meeting held on 29 April 2022, the Board of Directors granted 1,620,000 options to Executive Chairman Fulvio Montipò and 45,000 options to Chief Executive Officer Fabio Marasi; while on 23 May 2022, 20 October 2022 and 28 April 2023, respectively 243,000, 6,000 and 35,000 options (including 15,000 for Chief Executive Officer Fabio Marasi) were granted to other beneficiaries. Overall, a total of 1,949,000 options have therefore been granted. The options can be exercised between 30 June 2025 and 31 December 2028. A total of 2,000 options were canceled in 2023 (7,000 in 2022).

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

	Unit of measurement	
Number of shares granted	no.	35,000
Grant date		28 April 2023
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	16.011
Expected volatility (expressed as the weighted average of the volatility values utilized in construction of the binomial lattice model)	%	34
Expected average duration of the plan life	years	3.93
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of the Eur Composite AA rates at 28 April 2023)	%	3.5748

8. Financial income and charges

The breakdown for the year is as follows:

	2023	2022
	<u>€/000</u>	<u>€/000</u>
<u>Financial income</u>		
Interest income from liquid funds	4,162	776
Interest income from other assets	213	112
Exchange gains	21,580	27,385
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	495	3,300
TFR financial income	-	90
Other financial income	65	224
Total financial income	26,515	31,887
<u>Financial charges</u>		
Interest expense on bank loans	32,010	6,017
Lease interest expense	3,808	2,907
Interest expense on put options	3,099	1,256
Financial charges for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	6,836	9,527
TFR financial charges	593	-
Foreign exchange losses	31,592	27,112
Other financial charges	236	628
Total financial charges	78,174	47,447
Total financial charges (income), net	<u>51,659</u>	<u>15,560</u>

The breakdown for Q4 is as follows:

	2023	2022
	<u>€/000</u>	<u>€/000</u>
<u>Financial income</u>		
Interest income from liquid funds	1,812	368
Interest income from other assets	(62)	45
Exchange gains	4,287	1,875
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	168	3,134
TFR financial income	-	90
Other financial income	(22)	109
Total financial income	6,183	5,621
<u>Financial charges</u>		
Interest expense on bank loans	9,410	3,377
Lease interest expense	1,198	702
Interest expense on put options	760	907
Financial charges for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	4,870	6,518
TFR financial charges	593	-
Foreign exchange losses	11,742	10,626
Other financial charges	46	154
Total financial charges	28,619	22,284
Total financial charges (income), net	<u>22,436</u>	<u>16,663</u>

9. Earnings per share

Basic earnings per share

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

<i>Year</i>	<u>2023</u>	<u>2022</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	274,269	266,497
Average number of shares in circulation	106,939,951	105,593,321
Basic earnings per share for the period (€)	2.565	2.524

<i>Q4</i>	<u>2023</u>	<u>2022</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	36,067	53,940
Average number of shares in circulation	106,966,621	105,561,397
Basic earnings per share for the quarter (€)	0.337	0.511

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>Year</i>	<u>2023</u>	<u>2022</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	274,269	266,497
Average number of shares in circulation	106,939,951	105,593,321
Number of potential shares for stock option plans (*)	374,316	190,562
Average number of shares (diluted)	107,314,267	105,783,883
Earnings per diluted share for the year (€)	2.556	2.519

<i>Q4</i>	<u>2023</u>	<u>2022</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	36,067	53,757
Average number of shares in circulation	106,966,621	105,561,397
Number of potential shares for stock option plans (*)	186,534	94,972
Average number of shares (diluted)	107,153,155	105,656,369
Earnings per diluted share for the quarter (€)	0.337	0.511

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

10. Transactions with related parties

The Group has relations with non-consolidated 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 2023 and 2022 are shown below:

	2023					
	Consolidated Total	Non- consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Revenues	2,240,039	774	-	1,070	1,844	0.1%
Cost of sales	1,460,075	402	-	6,232	6,634	0.5%
Other operating income	42,154	3	-	-	3	0.0%
Distribution expenses	169,744	190	-	744	934	0.6%
G&A expenses	214,587	-	-	633	633	0.3%
Financial charges	78,174	-	-	662	662	0.8%

	2022					
	Consolidated Total	Non- consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Revenues	2,077,964	1,728	-	791	2,519	0.1%
Cost of sales	1,353,451	1,443	-	6,799	8,242	0.6%
Other operating income	42,703	2	-	-	2	0.0%
Distribution expenses	158,047	68	-	827	895	0.6%
G&A expenses	198,277	-	-	648	648	0.3%
Financial charges	47,447	-	-	304	304	0.6%

The effects on the consolidated statement of financial position at 31 December 2023 and 2022 are described below:

	2023					
	Consolidated Total	Non- consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Trade receivables	413,303	1,373	-	425	1,798	0.4%
Trade payables	262,941	47	-	703	750	0.3%
Interest-bearing financial payables (current and non-current portions)	768,511	-	-	16,299	16,299	2.1%

	2022					
	Consolidated Total	Non- consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Trade receivables	433,812	1,474	-	273	1,747	0.4%
Trade payables	312,222	50	-	757	807	0.3%
Interest-bearing financial payables (current and non-current portions)	869,131	-	-	16,242	16,242	1.9%

Relations with non-consolidated subsidiaries

Relations with non-consolidated subsidiaries are as follows:

(€/000)	Receivables		Revenues	
	<u>31/12/2023</u>	<u>31/12/2022</u>	<u>2023</u>	<u>2022</u>
General Pump China Inc.	109	256	211	299
Interpump Hydraulics Perù	1,263	1,219	397	356
Interpump Hydraulics Russia	1	-	169	1,068
Hammelmann Russia	-	-	-	5
Interpump Antriebstechnik GmbH	-	-	-	-
Benmec	-	-	-	-
Total subsidiaries	1,373	1,475	777	1,728

(€/000)	Payables		Costs	
	<u>31/12/2023</u>	<u>31/12/2022</u>	<u>2023</u>	<u>2022</u>
General Pump China Inc.	47	44	558	998
Interpump Hydraulics Perù	-	6	8	6
Interpump Hydraulics Russia	-	1	-	-
Hammelmann Russia	-	-	-	-
Interpump Antriebstechnik GmbH	-	-	26	-
Benmec	-	-	-	509
Total subsidiaries	47	51	592	1,513

Relations with associates

The Group does not hold investments in associated companies.

Transactions with other related parties

The 2023 income statement includes consultancy provided by entities associated with Group directors and statutory auditors totaling € 51 thousand (€ 47 thousand in 2022). The consultancy costs were charged in full to general and administrative expenses in both 2023 and 2022. Revenues from sales in 2023 included those made to companies owned by Group shareholders or directors totaling € 1,070 thousand (€ 791 thousand in 2022). In addition, the cost of sales includes purchases from companies controlled by minority shareholders or Group company directors totaling € 5,891 thousand (€ 6,383 thousand in 2022).

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. No substantial changes in disputes or contingent liabilities have taken place since 31 December 2023.