



## Presentation to Analysts and Investors

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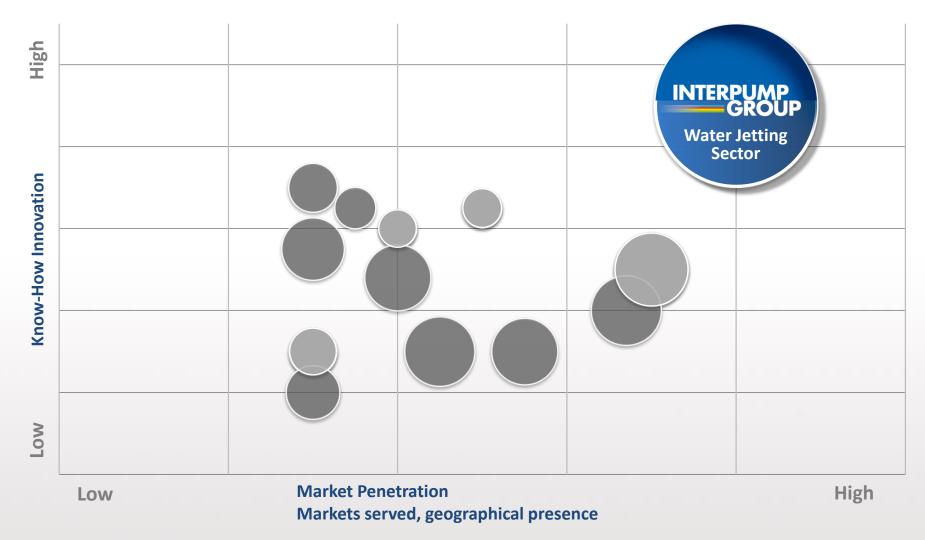
# Presentation to Analysts and Investors

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The Worldwide Leader in the Niche Business of Very High Pressure Plunger Pumps (40-50% Market Share)



#### **Prestigious Brands for Diversified Applications**



The 'Prototype' and the Most Versatile in Semi Professional Applications



The Leader in Sewer Cleaning and Lightness



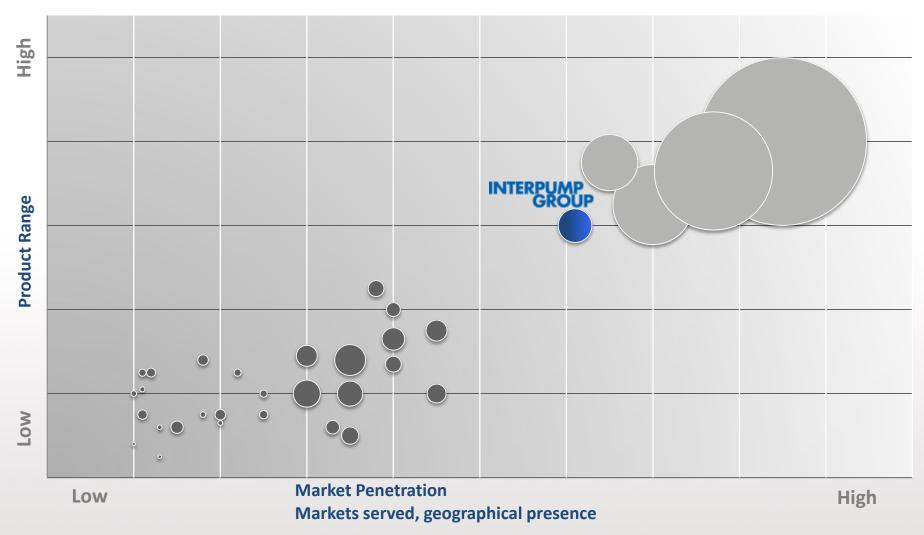
Leader in Contractor Business in US

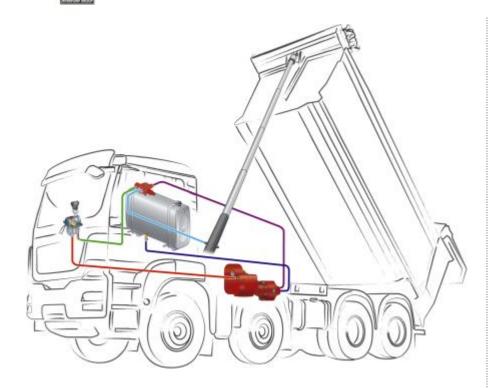


The Most Innovative Brand in Challenging Markets



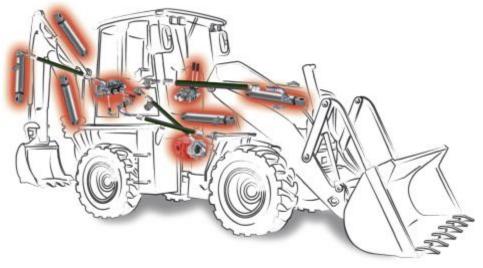
A Fast Growing Global Player in the Huge Business of Hydraulic





Leader in the Truck Business (~50% Market Share in PTO's).



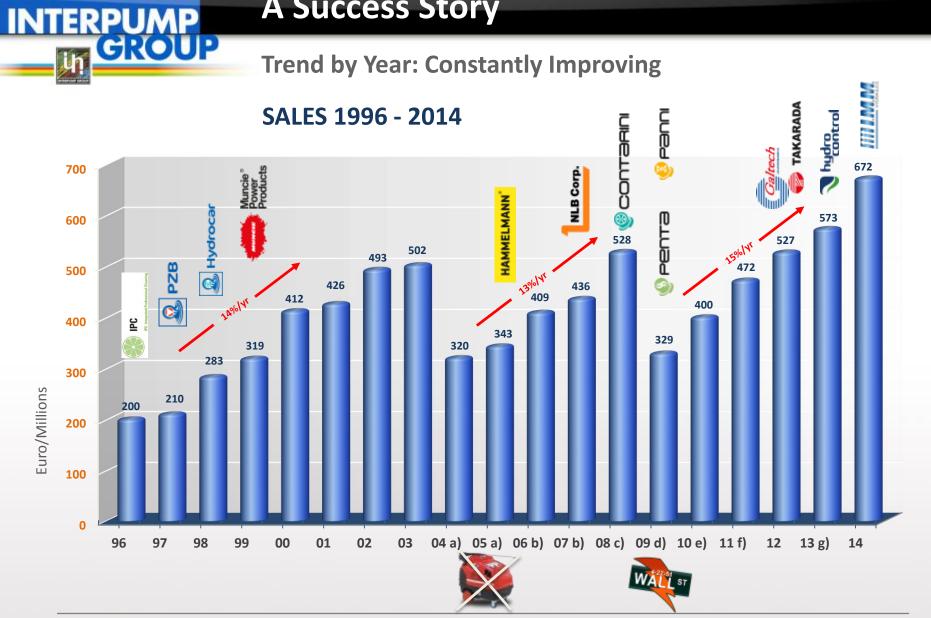


Fast Growing in Mobile (Agriculture, Earth Moving) and Industrial Businesses.



### **A Success Story**

**Trend by Year: Constantly Improving** 



From 2004 to 2013 figures are prepared in accordance with International Financial Reporting Standards (IFRS).

From 1996 to 2003 figures are prepared in accordance with Italian

Accounting Standards.

a. Pro-forma with Hammelmann 12 months, without Cleaning Sector. b. Pro-forma with NLB 12 months

- c. Pro-forma with Modenflex, Contarini, Panni, Cover, H.S. Penta and IKO 12 months.
- d. Pro-forma with H.S. Penta 12 months without Unielectric.
- e. Without Unielectric
- f. Pro-forma with American Mobile Power 12 Months.
- g. Pro-forma With Hydrocontrol Group 12 Months

## **A Success Story**

**Highly Cash Generative Over Time** 

From 1st Jan '97 to 31 Dec '14

|   | Euro/n | nillion |
|---|--------|---------|
| Operating cash flow                             |        | 857     |
| Capital expenditures                            |        | (284)   |
| Net cash flow before acquisitions and dividends |        | 573     |
| Dividends                                       | (297)  |         |
| Buy back  | (85)   | (272)*  |
| Share capital increase                          | 110    |         |
| Sub-total                                       |        | 301     |
| Acquisitions                                    |        | (634)   |
| Disposal of investments                         |        | 224     |
| Change in net financial position                |        | (109)   |

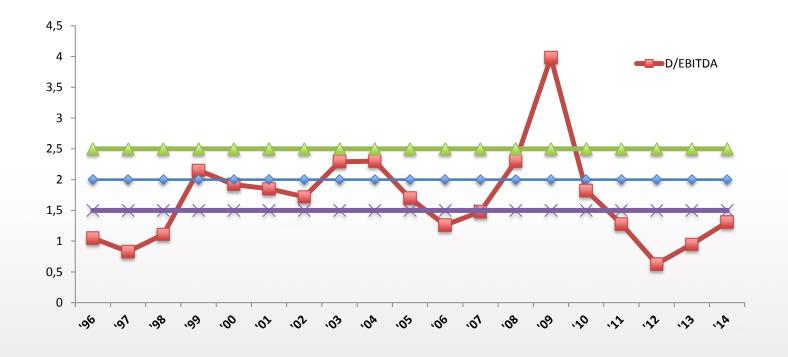
\* Since listing (Dec. 1996), IPG has returned to shareholders about 119% of the IPO capitalisation



**Net Debt** 

in GROUP

Net Debt/EBITDA (12 M)

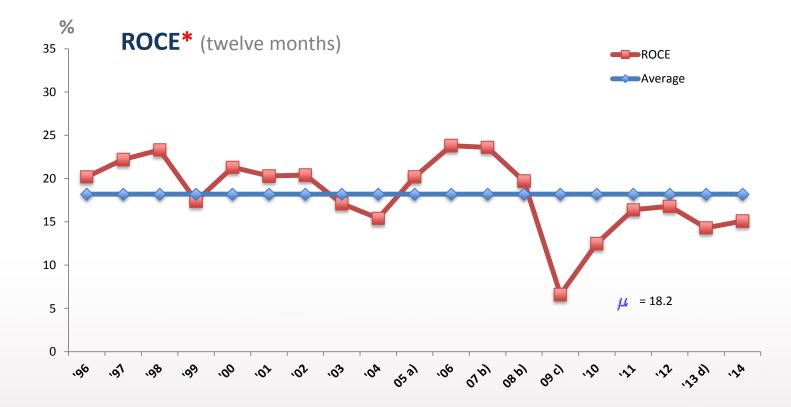


Net debt\*, after the peak in 2009, rapidly declined and today D/EBITDA ratio is lower than 1.5x.

\* Net of treasury stock and including commitments for purchase of investments.

## **A Success Story**

**Trend by Year: Very High Profitability** 



\* From 2004 to 2014 figures are prepared in accordance with International Financial Reporting Standards (IFRS). From 1996 to 2003 figures are prepared in accordance with Italian Accounting Standards.

a) With Hammelmann 12 months, without the Cleaning Sector;

b) With Contarini, Modenflex and IKO 12 months;

c) With H.S. Penta six months;

DIIN

In GROUP

d) Whit Hydrocontrol eight months.

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



### 12 Mo's 2014 Financial Results

| (euro/million)           | 2013  | 2014  | Changes |  |
|--------------------------|-------|-------|---------|--|
| SALES                    | 556.5 | 672.0 | +20.8%  |  |
| EBITDA                   | 105.2 | 136.1 | +29.4%  |  |
| % sales                  | 18.9% | 20.3% |         |  |
| NPAT                     | 44.1  | 57.7  | +31.0%  |  |
| % sales                  | 7.9%  | 8.6%  |         |  |
| NET DEBT (31.12)         |       |       |         |  |
| Net Financial Position   | 88.7  | 152.0 | +63.3   |  |
| Valuation of Put Options | 32.7  | 74.1  | +41.4   |  |
| TOTAL DEBT               | 121.4 | 226.1 | +104.7  |  |

12 Mo's 2014 Financial Results By Sector

| (euro/million) |       | SALES |        |       |       | EBITDA |       |        |
|----------------|-------|-------|--------|-------|-------|--------|-------|--------|
| Sectors        | 2013  | 2014  | Growth | 2013  | %     | 2014   | %     | Growth |
| HYDRAULIC      | 294.1 | 396.2 | +34.7% | 41.4  | 14.1% | 69.4   | 17.5% | +67.6% |
| WATER JETTING  | 262.4 | 275.8 | +5.1%  | 63.7  | 24.2% | 66.7   | 24.1% | +4.6%  |
| OTHER          | -     | -     |        | -     | n.s.  | -      | n.s.  | n.s.   |
| TOTAL          | 556.5 | 672.0 | +20.8% | 105.1 | 18.9% | 136.1  | 20.3% | +29.4% |

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# Interpump Group Today

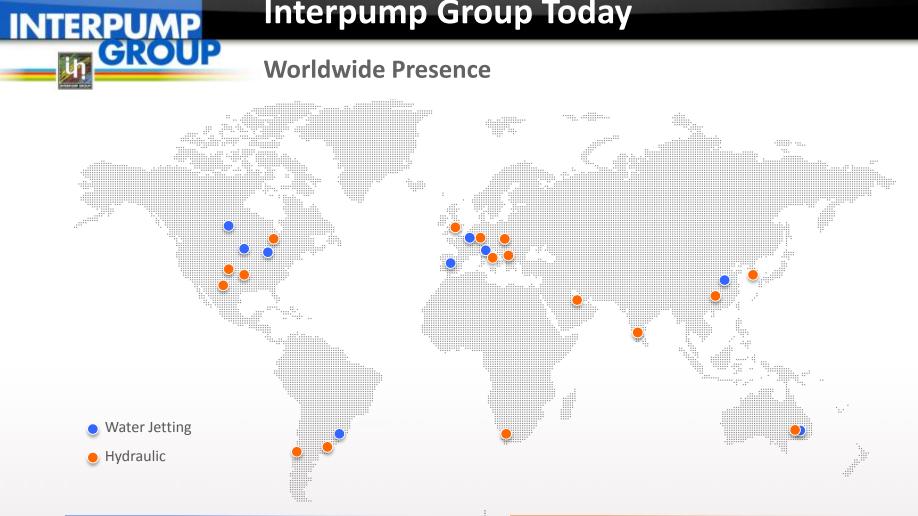
### First Half 2015 Financial Results

| (euro/million)           | 2014  | 2015  | Changes |
|--------------------------|-------|-------|---------|
| SALES                    | 341.2 | 467.0 | +36.9%  |
| EBITDA                   | 71.0  | 96.6  | +36.0%  |
| % sales                  | 20.8% | 20.7% |         |
| NPAT                     | 33.1  | 80.6  | +143.7% |
| % sales                  | 9.7%  | 17.3% |         |
| NET DEBT (31.03)         |       |       |         |
| Net Financial Position   | 154.4 | 282.5 | +128.1  |
| Valuation of Put Options | 65.2  | 42.4  | -22.8   |
| TOTAL DEBT               | 219.6 | 324.9 | +105.3  |

First Half 2015 Financial Results By Sector

| (euro/million) |       | SALES |        |       |       | EBITDA |       |        |
|----------------|-------|-------|--------|-------|-------|--------|-------|--------|
| Sectors        | 2014  | 2015  | Growth | 2014  | %     | 2015   | %     | Growth |
| HYDRAULIC      | 205.4 | 297.8 | +45.0% | 37.3  | 18.1% | 53.8   | 18.1% | +44.4% |
| WATER JETTING  | 135.9 | 169.2 | +24.5% | 33.8  | 24.8% | 42.7   | 25.1% | +26.3% |
| OTHER          | -     | -     |        | (0.1) | n.s.  | (0.1)  | n.s.  | n.s.   |
| TOTAL          | 341.2 | 467.0 | +36.9% | 71.0  | 20.8% | 96.6   | 20.7% | +36.0% |

#### **Worldwide Presence**



#### Water Jetting Sector

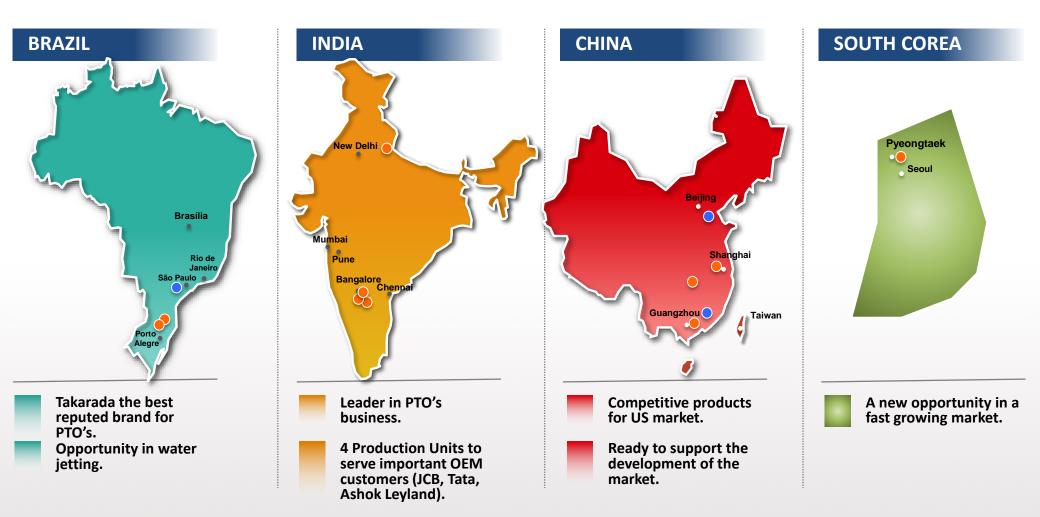
| AREA              | PLANTS | EMPLOYEES |
|-------------------|--------|-----------|
| ITALY             | 3      | 467       |
| REST OF EUROPE    | 2      | 322       |
| NORTH AMERICA     | 3      | 335       |
| REST OF THE WORLD | 2      | 34        |
| TOTAL             | 10     | 1,158     |

#### Hydraulic Sector

| AREA              | PLANTS | EMPLOYEES |
|-------------------|--------|-----------|
| ITALY             | 12     | 2,106     |
| REST OF EUROPE    | 6      | 275       |
| NORTH AMERICA     | 5      | 467       |
| REST OF THE WORLD | 13     | 807       |
| TOTAL             | 36     | 3,655     |



**Emerging Markets: A Well-Balanced Presence** 

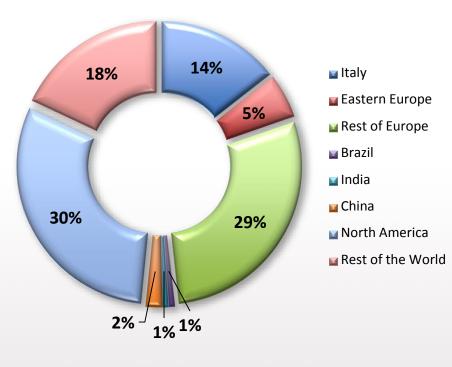


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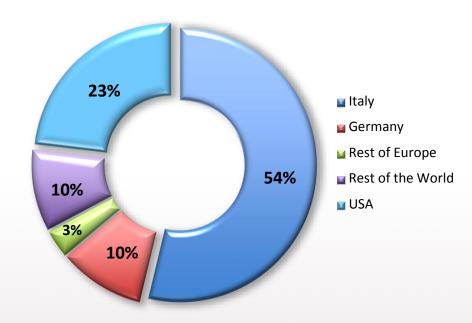
## Interpump Group Today

#### Sales By Geography

Total Turnover: Euro 812 Million\* (12 Mo's 2014)



#### Production By Country (FY 2014)\*



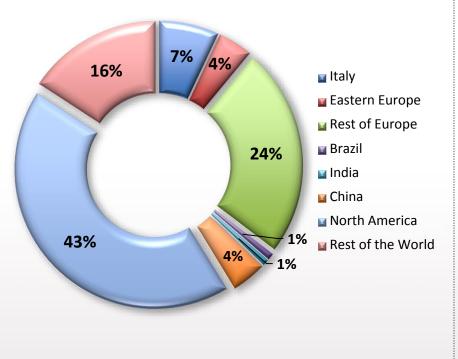
\* 12 Mo's 2014, pro-forma including Walvoil



**Breakdown of Sales by Sector-Geography** 

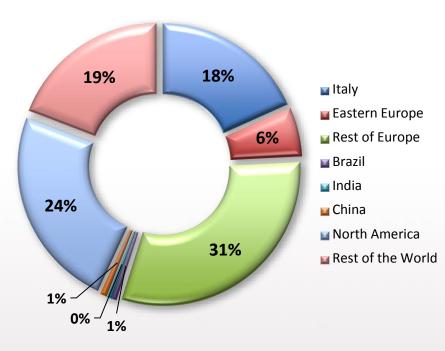
#### Water Jetting Sector

Total Turnover: Euro 276 Million (12 Mo's 2014)



#### **Hydraulic Sector**

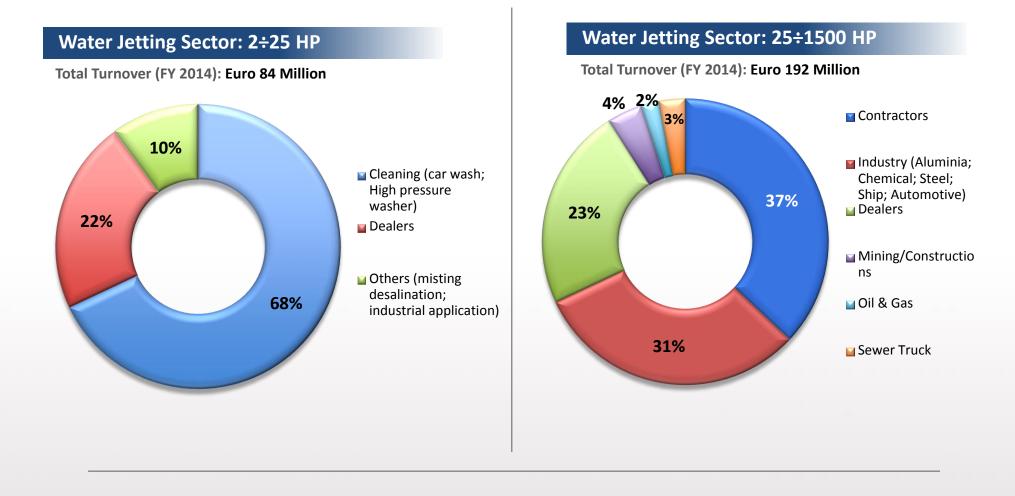
Total Turnover: Euro 536 Million (12 Mo's 2014)\*



\* Pro-forma, Including Walvoil, 12 Months

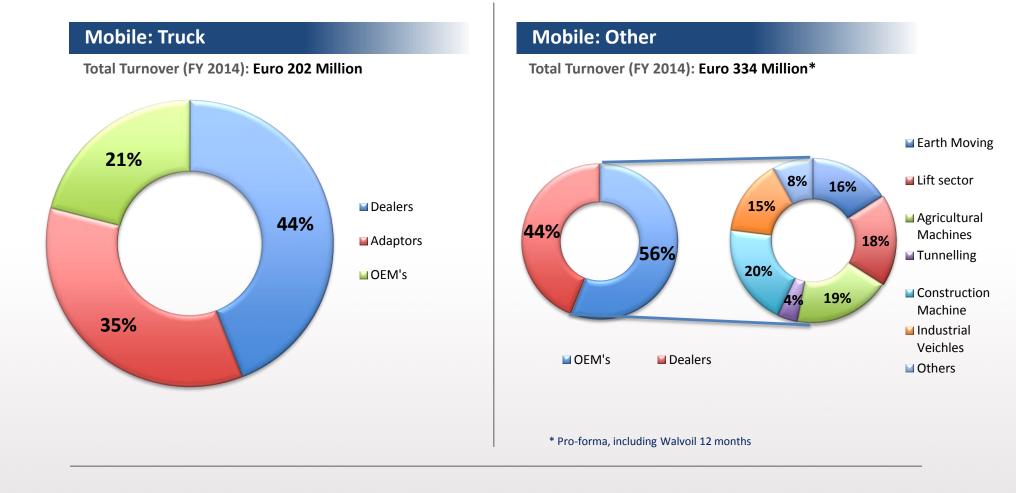


Water Jetting : Breakdown of Sales by Application Field





Hydraulic Sector: Breakdown of Sales by Application Field



#### 20

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## Interpump Group Today

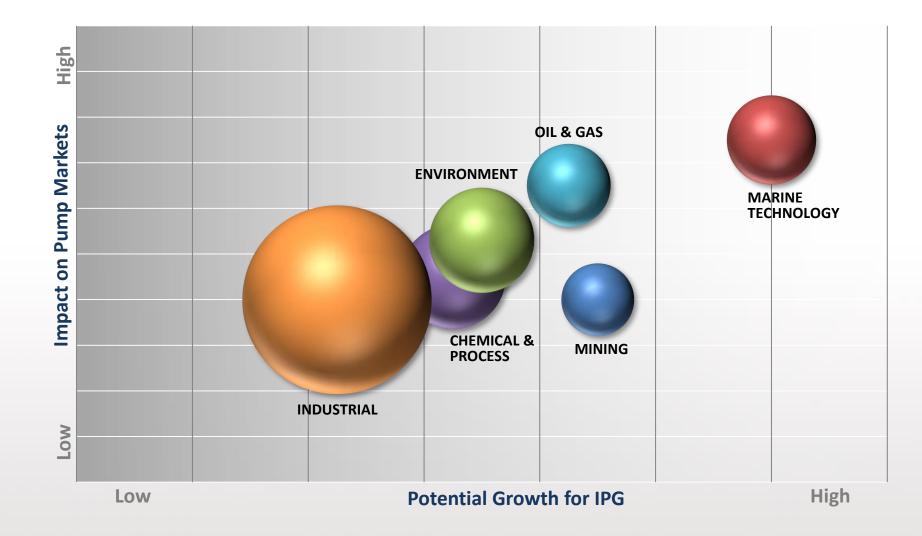
### **INTERPUMP GROUP Strengths**

| 1 | Worldwide Markets                        |
|---|--|
| 2 | Diversified Markets                      |
| 3 | Market Niches                            |
| 4 | Wide Range of Products                   |
| 5 | Numerous Customers                       |
| 6 | Prestigious Brands                       |
| 7 | Low level of fixed costs                 |
| 8 | Strong Know-how and stable technologies  |
| 9 | Significant Track record in Acquisitions |
|   |  |

**10** Leadership in Big Part of his Business

# **Developing Strategy**

Water Jetting: Challenging Market Drivers



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# **Developing Strategy**

Water Jetting: New Challenging Development



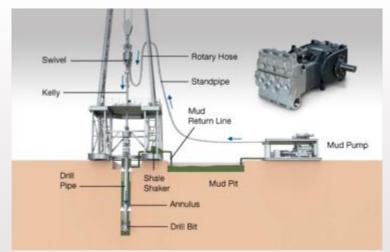
Fuel injection pump for ship diesel engine.



Zero Emission Pump



Offshore and underwater pump for oil and gas



Mud pump.

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# **Developing Strategy**

### Hydraulic: Cross Selling in Many Different Markets





## **Most Significant Events 2015**

#### Walvoil Acquisition

Walvoil Group, headquartered in Reggio Emilia, one of the most significant international players in the manufacture and sale of hydraulic valves and distributors.

| Main Figures in 2014 |                 |  |
|----------------------|-----------------|--|
| SALES                | € 140.3 million |  |
| EBITDA               | € 19.2 million  |  |
| NET DEBT             | € 31.8 million  |  |
|                      |                 |  |

#### Total acquisition price, for 100%

♦ € 116.4 million\*

€ 45,8 million Payment: through the sale of n. 4,004,341 shares listed Interpump Group S.p.A. and through the payment of € 70.9 million in cash.







## **Most Significant Events 2015**

#### **InoxiHP Acquisition**

InoxiHP, based in Nova Milanese (MB), manufacturer of high- and very-high pressure water systems and leader in steel-plant applications.

| Main Figures in 2014 |                |  |
|----------------------|----------------|--|
| SALES                | € 10.8 million |  |
| EBITDA               | Over 30%       |  |
| NET CASH             | € 0.7 million  |  |
|                      |                |  |

#### Total acquisition price, for 52.72%

◆ € 6.5 million by cash and through the sale of n. 156,160 shares listed Interpump Group S.p.A.







## **Most Significant Events 2015**

#### **Bertoli Acquisition**

Bertoli, located in Parma, one of worldwide players in the market of the industry for the design and building of high pressure homogenizers with plunger pumps, mainly for the food industry, but also for chemistry and cosmetichs

#### Main Figures in 2014

| SALES    | € 11.2 million |
|----------|----------------|
| EBITDA   | € 2.3 million  |
| NET CASH | € 1.0 million  |

#### Total acquisition price, for 100%

♦ € 7.3 million by cash.





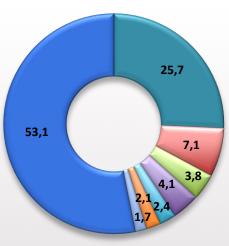
## Appendix

#### **Stock and Governance: Increasing stock performances**

#### Management Team

| Fulvio Montipò | Chairman & CEO        |  |  |  |  |  |
|----------------|-----------------------|--|--|--|--|--|
| Paolo Marinsek | Deputy Chairman & CEO |  |  |  |  |  |
| Carlo Banci    | CFO                   |  |  |  |  |  |

#### **Shareholders Structure**



Gruppo IPG Holding S.r.l.

Fidelity Investment Trust

Caisse des Depots et Consignations

🖬 FIN TEL

- Norges Bank
- Amber Southern European Equity Limited

Treasury Shares

MARKET

Source: CONSOB/Company April 30, 2015

#### **Interpump Stock Performance**

Since the listing until July 23, 2015 the total return to shareholders' (stock price increase + dividends + buy-back) has been 13% per Year.

|           | Bug  |
|-----------|--|
| 15.47     | Exchang                                    |
| € 1.691 M | Stock E                                    |
| +2.07%    | Milan St                                   |
| +60.82%   |  |
| +116.82%  | Source:                                    |
| 206.876   | Sou  |
|           | € 1.691 M<br>+2.07%<br>+60.82%<br>+116.82% |

#### **IP MI Price Trend**



## Appendix

#### **Procurement Costs**

| Purchases as % of Sales |                      |         |  |  |  |  |  |  |  |  |
|-------------------------|----------------------|---------|--|--|--|--|--|--|--|--|
| Year                    | 1 <sup>st</sup> half | 12 Mo's |  |  |  |  |  |  |  |  |
| 2007                    | 41.0%                | 40.8%   |  |  |  |  |  |  |  |  |
| 2008                    | 41.1%                | 40.1%   |  |  |  |  |  |  |  |  |
| 2009                    | 41.8%                | 42.2%   |  |  |  |  |  |  |  |  |
| 2010                    | 39.7%                | 39.8%   |  |  |  |  |  |  |  |  |
| 2011                    | 40.7%                | 40.7%   |  |  |  |  |  |  |  |  |
| 2012                    | 39.4%                | 39.2%   |  |  |  |  |  |  |  |  |
| 2013                    | 39.0%                | 39.0%   |  |  |  |  |  |  |  |  |
| 2014                    | 38.5%                | 38.3%   |  |  |  |  |  |  |  |  |
| 2015                    | 38.0%                | -       |  |  |  |  |  |  |  |  |
| Average                 | 39.9%                | 40.0%   |  |  |  |  |  |  |  |  |

IPG deployed a strong effort in reducing procurement costs. In 2015, procurement costs decreased by 0.5 points as a percentage of sales.



#### **Free Cash Flow**

| Free Cash Flow 12 Months     |       |       |        |        |        |        |  |  |  |  |  |  |  |
|------------------------------|-------|-------|--------|--------|--------|--------|--|--|--|--|--|--|--|
| (euro/million)               | 2009  | 2010  | 2011   | 2012   | 2013   | 2014   |  |  |  |  |  |  |  |
| Cash Flow from<br>Operations | 25.4  | 54.7  | 60.4   | 65.6   | 65.2   | 96.8   |  |  |  |  |  |  |  |
| Working Capital              | 44.7  | 5.5   | (21.5) | (14.8) | (0.9)  | (21.5) |  |  |  |  |  |  |  |
| Сарех                        | (9.2) | (8.7) | (11.8) | (15.8) | (29.8) | (34.1) |  |  |  |  |  |  |  |
| Other                        | 2.2   | 5.5   | 3.8    | 3.6    | (0.2)  | (2.9)  |  |  |  |  |  |  |  |
| Free Cash Flow               | 63.1  | 57.0  | 30.9   | 38.6   | 34.3   | 38.3   |  |  |  |  |  |  |  |

In 2014, Free Cash Flow is negatively affected by the increase of the working capital and negatively affected by the higher capex mainly related to new building of Hammelmann.

The 2009 and 2010 was positively affected by the reduction of working capital due to the queue of the 2009 crisis.

## Appendix

#### Synthesis of Results (Twelve Months\*)

| Euro/million  | 1996  | 1997  | 1998  | 1999  | 2000  | 2001  | 2002  | 2003  | 2004  | 2005 a | 2006 b | 2007 c | 2008 d | 2009 e | 2010  | 2011 f | 2012  | 2013 g | 2014  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|-------|--------|-------|--------|-------|
| Net Sales   | 199.6 | 221.3 | 283.4 | 319.3 | 411.7 | 426.1 | 492.9 | 501.7 | 531.7 | 331.6  | 364.9  | 432.2  | 424.5  | 342.9  | 424.9 | 472.3  | 527.2 | 556.5  | 672.0 |
| EBITDA  | 40.7  | 46.8  | 61.1  | 64.9  | 79.8  | 81.4  | 84.5  | 75.2  | 77.3  | 68.0   | 79.1   | 94.3   | 87.0   | 46.9   | 74.1  | 94.7   | 105.8 | 105.2  | 136,1 |
| Margin  | 20.4% | 21.2% | 21.6% | 20.3% | 19.4% | 19.1% | 17.1% | 15.0% | 14.5% | 20.5%  | 21.7%  | 21.8%  | 20.5%  | 13.7%  | 17.4% | 20.0%  | 20.1% | 18.9%  | 20.3% |
| EBIT  | 35.5  | 40.5  | 52.4  | 55.1  | 67.2  | 67.6  | 69.2  | 59.2  | 60.5  | 57.4   | 69.7   | 82.2   | 75.7   | 29.2   | 54.7  | 75.7   | 84.1  | 79.2   | 104.4 |
| Margin  | 17.8% | 18.3% | 18.5% | 17.2% | 16.3% | 15.9% | 14.0% | 11.8% | 11.4% | 17.3%  | 19.1%  | 19.0%  | 17.8%  | 8.5%   | 12.9% | 16.0%  | 15.9% | 14.3%  | 15.5% |
| Net Profit  | 7.6   | 13.8  | 16.6  | 22.2  | 19.0  | 21.4  | 21.1  | 14.3  | 19.7  | 27.1   | 41.6   | 42.9   | 40.2   | 14.0   | 27.4  | 42.6   | 53.2  | 44.1   | 57.7  |
| Margin  | 3.8%  | 6.2%  | 5.9%  | 6.9%  | 4.6%  | 5.0%  | 4.3%  | 2.8%  | 3.7%  | 8.2%   | 11.4%  | 9.9%   | 9.5%   | 4.1%   | 6.4%  | 9.0%   | 10.1% | 7.9%   | 8.6%  |
| Operating<br>Cash Flow  | 18.4  | 28.8  | 42.9  | 36.5  | 59.3  | 43.6  | 51.6  | 35.5  | 17.5  | 31.7   | 37.9   | 44.7   | 38.1   | 69.6   | 65.0  | 39.0   | 53.3  | 65.3   | 95.8  |
| Net Fin. Debt   | 43.0  | 38.8  | 67.9  | 139.3 | 153.2 | 150.7 | 145.4 | 172.3 | 178.4 | 115.8  | 99.9   | 139.6  | 200.5  | 186.5  | 134.9 | 121.6  | 66.1  | 100.3  | 178.8 |
| (net of treasury stock and including commitments for purchase of investments) |       |       |       |       |       |       |       |       |       |        |        |        |        |        |       |        |       |        |       |
| Shareholder's<br>Equity   | 133.1 | 143.7 | 157.1 | 177.1 | 162.0 | 182.8 | 193.4 | 173.8 | 179.9 | 156.7  | 155.9  | 147.1  | 178.0  | 242.8  | 291.5 | 315.2  | 396.9 | 432.9  | 466.6 |
| Debt/Equity   | 0.32  | 0.27  | 0.43  | 0.79  | 0.95  | 0.82  | 0.75  | 0.99  | 0.99  | 0.74   | 0.64   | 0.95   | 1.13   | 0.77   | 0.46  | 0.39   | 0.16  | 0.23   | 0.38  |

\* From 2004 to 2013 figures are prepared in accordance with International Financial Reporting Standards (IFRS). From 1996 to 2003 figures are prepared in accordance with Italian Accounting Standards

a) With Hammelmann 9 months, without Cleaning Sector.

b) With Hammelmann 12 months, without Cleaning Sector.

c) With NLB 11 months.

d) With Modenflex 5 months, Contarini 2 months, IKO 1 month.

e) With H.S. Penta 6 months.

f) Without Unielectric and with American Mobile Power 9 Months.

g) With Hydrocontrol Group 8 months.



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

S.llario d'Enza, August 6, 2015 The Manager responsible for preparing the company's financial reports *Carlo Banci* 

### Presentation to Analysts and Investors

INTERPUMP

2015 Results September, 2015