

Bit Market Services

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Societa' : INTERPUMP GROUP

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Informazione
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Oggetto : RESULTS FOR THE FIRST QUARTER OF
2016

Testo del comunicato

Vedi allegato.



PRESS RELEASE

INTERPUMP GROUP APPROVES RESULTS FOR THE FIRST QUARTER OF 2016

NET SALES: € 226.7 million (+1.8%) - €222.6 million in the first quarter of 2015

EBITDA: €47.6 million (+9.6%) equal to 21.0% of sales - €43.5 million in the first quarter of 2015, equal to 19.5% of sales

EBIT: € 37.3 million (+11.0%) equal to 16.5% of sales - €33.6 million in the first quarter of 2015, equal to (15.1% of sales)

Consolidated NET PROFIT: €21.9 million (+18.3%) - €9.4 million normalized net profit in the first quarter of 2015

CASH FLOW FROM OPERATIONS: € 41.7 million compared to € 39.0 million in the first quarter of 2015 (+6.8%)

NET DEBT: €274.4 million after disbursements for purchase of treasury shares and for acquisitions for €26.5 million (€255.0 million at 31 December 2015)

Chairman Fulvio Montipò: “Sales increased in the first quarter of 2016 despite an uncertain macroeconomic situation. Even more important was higher profitability, with EBITDA up by 1.5 percent, from 19.5% to 21.0%, demonstrating management’s constant commitment to maximizing profits and containing costs.”

Sant’Ilario d’Enza, 12 May 2016 – The Board of Directors of Interpump Group met today and approved the results for the first quarter of 2016.

NET SALES FOR THE FIRST QUARTER OF 2016

Net sales for the first quarter of 2016 totaled 226.7 million euros, an increase of 1.8% over the 222.6 million euros in the corresponding period of 2015.

Sales by business sector and geographical area were as follows:

1st quarter 2016

	Rest of the					<u>Total</u>
	<u>Italy</u>	<u>Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>World</u>	
Hydraulic Sector	29,019	54,848	36,226	8,887	16,635	145,615
Water Jetting Sector	6,738	22,476	36,702	11,286	3,891	81,093
Total	<u>35,757</u>	<u>77,324</u>	<u>72,928</u>	<u>20,173</u>	<u>20,526</u>	<u>226,708</u>

1st quarter 2015

Hydraulic Sector	26,489	50,997	39,070	10,043	19,043	145,642
Water Jetting Sector	7,175	20,362	35,112	9,873	4,461	76,983
Total	<u>33,664</u>	<u>71,359</u>	<u>74,182</u>	<u>19,916</u>	<u>23,504</u>	<u>222,625</u>

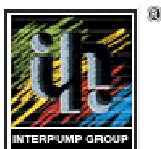
Percentage changes 2016/2015

Hydraulic Sector	+9.6%	+7.6%	-7.3%	-11.5%	-12.6%	-
Water Jetting Sector	-6.1%	+10.4%	+4.5%	+14.3%	-12.8%	+5.3%
Total	+6.2%	+8.4%	-1.7%	+1.3%	-12.7%	+1.8%

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PROFITABILITY

EBITDA amounted to **47.6 million** euros (21.0% of sales) compared to 43.5 million euros in the first quarter of 2015 (19.5% of sales), an increase of 9.6%. The following table sets out EBITDA by business sector:

	<i>1st quarter</i>	<i>% of</i>	<i>1st quarter</i>	<i>% of</i>	<i>Change</i>
	<i>2016</i>	<i>total</i>	<i>2015</i>	<i>total</i>	
	<i>€/000</i>	<i>sales</i>	<i>€/000</i>	<i>sales</i>	
Hydraulic Sector	27,676	19.0%	24,984	17.1%	+10.8%
Water Jetting Sector	19,970	24.5%	18,489	23.9%	+8.0%
Other sectors	(9)	n.s.	3	n.s.	n.s.
Total	47,637	21.0%	43,476	19.5%	+9.6%

Operating income (**EBIT**) amounted to **37.3 million** euros (16.5% of sales) compared to 33.6 million euros in the first quarter of 2015 (15.1% of sales), an increase of 11.0%.

Financial situation showed net expenses of 2.6 million euros. In the first quarter of 2015 there were net gains of 8.9 million euros, including gain from the adjustment of estimated debt for commitments to purchase residual shares of subsidiaries for 6.2 million euros pursuant to agreements with counterparties, and exchange rate gain of 4.9 million euros following appreciation of almost all foreign currencies (especially the US\$) to the euro.

Net profit in the first quarter of 2016 was **21.9 million euros**. Net profit in the corresponding period of 2015 showed one-off gains of 6.2 million euros due to early exercise of put options by entitled parties and net exchange rate gain of 4.9 million euros due to depreciation of the euro against all foreign currencies (especially the US\$) in the period, whereas net profit in the first quarter of 2016 shows a net loss of 1.2 million euros on exchanges. Considering the above data, normalized net profit in the first quarter of 2015 was 19.4 million euros. Net of these two factors, normalized profit in the first quarter of 2016 (22.9 million euros) would be 18.3% higher compared to normalized net profit in the first quarter of 2015. **Basic earnings per share** decreased from 0.275 euro in the first quarter of 2015 to 0.203 euro in the first quarter of 2016, influenced by the non-recurrent factors described above.

Net cash flow generated from operating activities was **41.7 million** euros (39.0 million euros in the first quarter of 2015), an increase of 6.8%. **Free cash flow** in the first quarter of 2016 amounted to **7.4 million** euros (14.5 million euros in the first quarter of 2015) and was negatively affected for 5.7 million euros by the time delay between the collection at the end of December 2015, as withholding agent, of capital gain taxes on exercised stock options, and the corresponding payment which was made at the beginning of January 2016.

Net debt was 274,4 million euros (255.0 million euros at 31 December 2015) after purchases of treasury shares and acquisitions for 26.5 million di euro. In addition, the Group has 22.8 million euros in put options in subsidiaries (23.2 million euros at 31/12/2015).

Capital employed increased from 900.8 million euros at 31 December 2015 to 905.7 million euros at 31 March 2016. Non-annualized ROCE was 4.1% (3.7% in the first quarter of 2015). Non-annualized ROE was 3.6% (5.3% in the first quarter of 2015), influenced by the non-recurrent factors described above.

At 31 March 2016, Interpump Group S.p.A. had 3,133,412 shares in its portfolio, equal to 2.878% of capital, purchased at an average cost of €12.0106.



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Pursuant to Article 65-bis, paragraph 2 and Article 82 of Consob Deliberation 11971/1999 as modified and supplemented, we report that the **Interim Report at 31 March 2016** is **available to the public** at the Group's registered office and may be also be consulted on the "Financial Statements and Reports" page in the "Investor relations" section of the Group's website www.interpumpgroup.it, as well on the www.emarketstorage.com storage mechanism.

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Sant'Ilario d'Enza (RE), 12 May 2016

On behalf of the Board of Directors
Fulvio Montipò, Chairman

Carlo Banci, the manager responsible for drafting the company's accounting documents, declares pursuant to the terms of section 2, article 154(2) of the Financial Services Act that the accounting disclosures in the present release correspond to the contents of the underlying documents, the accounting books and the accounting entries.

Sant'Ilario d'Enza (RE), 12 May 2016

Carlo Banci
Manager responsible for drafting
the company's accounting documents

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Consolidated balance sheet

(€/000)	<u>31/03/2016</u>	<u>31/12/2015</u>
ASSETS		
Current assets		
Cash and cash equivalents	110,408	135,130
Trade receivables	194,501	178,129
Inventories	245,552	238,637
Derivative financial instruments	10	-
Tax receivables	10,936	14,361
Other current assets	8,404	7,811
Total current assets	<u>569,811</u>	<u>574,068</u>
Non-current assets		
Property, plant and equipment	283,087	286,066
Goodwill	345,769	347,388
Other intangible assets	31,972	33,193
Other financial assets	740	1,025
Tax receivables	1,954	1,934
Deferred tax assets	25,294	25,190
Other non-current assets	1,185	1,209
Total non-current assets	<u>690,001</u>	<u>696,005</u>
Total assets	<u>1,259,812</u>	<u>1,270,073</u>

(€/000)	<u>31/03/2016</u>	<u>31/12/2015</u>
LIABILITIES		
Current liabilities		
Trade payables	103,182	94,022
Payables to banks	1,864	5,735
Interest bearing financial payables (current portion)	87,983	83,833
Derivative financial instruments	27	77
Taxes payable	19,117	19,904
Other current liabilities	51,455	48,840
Provisions for risks and charges	3,550	4,423
Total current liabilities	<u>267,178</u>	<u>256,834</u>
Non-current liabilities		
Interest bearing financial payables	294,983	300,549
Liabilities for employee benefits	17,203	17,264
Deferred tax liabilities	47,320	48,098
Other non-current liabilities	22,025	22,017
Provisions for risks and charges	2,683	2,683
Total non-current liabilities	<u>384,214</u>	<u>390,611</u>
Total liabilities	<u>651,392</u>	<u>647,445</u>
SHAREHOLDERS' EQUITY		
Share capital	54,988	56,032
Legal reserve	11,323	11,323
Share premium reserve	115,650	138,955
Reserve for valuation of hedging derivatives at fair value	8	(13)
Remeasurement reserve for defined benefit plans	(3,501)	(3,501)
Translation reserve	11,939	22,657
Other reserves	413,369	391,704
Group shareholders' equity	<u>603,776</u>	<u>617,157</u>
Minority interests	4,644	5,471
Total shareholders' equity	<u>608,420</u>	<u>622,628</u>
Total shareholders' equity and liabilities	<u>1,259,812</u>	<u>1,270,073</u>

Consolidated income statement for the first quarter

(€/000)	<i>2016</i>	<i>2015</i>
Net sales	226,708	222,625
Cost of sales	(144,790)	(144,287)
Gross industrial margin	81,918	78,338
% of net sales	36.1%	35.2%
Other operating income	3,311	3,214
Distribution expenses	(20,383)	(20,823)
General and administrative expenses	(26,909)	(26,526)
Other operating costs	(639)	(593)
EBIT	37,298	33,610
% of net sales	16.5%	15.1%
Financial income	2,387	13,846
Financial charges	(4,960)	(4,978)
Adjustment for investments accounted for using the equity method	(56)	(72)
Profit for the period before taxes	34,669	42,406
Income taxes	(12,802)	(13,179)
Consolidated profit for the period	21,867	29,227
% of net sales	9.6%	13.1%
Attributable to:		
Shareholders of Parent	21,665	29,203
Minority shareholders of subsidiaries	202	24
Consolidated profit for the period	21,867	29,227
EBITDA	47,637	43,476
% of net sales	21.0%	19.5%
Shareholders' equity	608,420	555,204
Net debt	274,422	246,585
Payables for purchase of shareholdings	22,823	99,103
Capital employed	905,665	900,892
Non-annualized ROCE	4.1%	3.7%
Non-annualized ROE	3.6%	5.3%
Basic earnings per share	0.203	0.275

Consolidated statement of comprehensive income for the first quarter

(€/000)	<u>2016</u>	<u>2015</u>
Consolidated profit for the first quarter (A)	21,867	29,227
Other consolidated income (losses) which will be reclassified subsequently to consolidated profit for the period		
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	-	-
- Less: Adjustment for gains (losses) reclassified to the income statement	7	-
- Less: Adjustment for the recognition of fair value in equity in the previous period	<u>24</u>	<u>27</u>
<i>Total</i>	<i>31</i>	<i>27</i>
<i>Gains (losses) on translating the financial statements of foreign companies</i>	<i>(10,902)</i>	<i>28,819</i>
<i>Gains (losses) from companies accounted for using the equity method</i>	<i>(17)</i>	<i>3</i>
<i>Related taxation</i>	<i><u>(10)</u></i>	<i><u>(8)</u></i>
Total other consolidated income (losses) which will be reclassified subsequently to consolidated profit for the period, net of the tax effect (B)	<u>(10,898)</u>	<u>28,841</u>
Consolidated comprehensive income for the first quarter (A) + (B)	<u>10,969</u>	<u>58,068</u>
Attributable to:		
Shareholders of Parent	10,968	57,532
Minority shareholders of subsidiaries	<u>1</u>	<u>536</u>
Consolidated comprehensive income for the first quarter	<u>10,969</u>	<u>58,068</u>

Consolidated cash flow statement for the first quarter

(€/000)	2016	2015
Cash flows from operating activities		
Profit before taxes	34,669	42,406
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(598)	(1,043)
Amortization and depreciation	10,287	9,632
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	344	337
Payments for tangible assets granted in leasing	(2,786)	(2,326)
Revenue from sales of tangible assets granted in leasing	2,940	2,000
Losses (profits) from investments	56	72
Net change in risk provisions and allocations to employee benefit provisions	(217)	(54)
Net financial charges (revenues)	2,573	(8,868)
Other	-	-
	<u>47,268</u>	<u>42,156</u>
(Increase) decrease in trade receivables and other current assets	(17,603)	(12,111)
(Increase) decrease in inventories	(10,945)	(7,798)
Increase (decrease) in trade payables and other current liabilities	3,259	3,470
Interest paid	(1,186)	(1,514)
Realized exchange differences	(668)	1,493
Taxes paid	(3,763)	(3,128)
Net cash from operating activities	<u>16,362</u>	<u>22,568</u>
Cash flows from investing activities		
Payment for the purchase of investments net of cash received and gross of treasury shares transferred	(1,696)	(113,725)
Sale of equity interests and branches inclusive of cash transferred	746	746
Capital expenditure on property, plant and equipment	(8,482)	(7,795)
Proceeds from the sale of tangible assets	207	816
Increase in intangible assets	(657)	(685)
Financial income received	119	147
Other	(140)	(122)
Net cash used in investing activities	<u>(9,903)</u>	<u>(120,618)</u>
Cash flows from financing activities		
Disbursements (repayments) of loans	(651)	93,981
Payments for the purchase of treasury shares	(24,803)	(18,943)
Disposal of treasury shares to acquire investments	-	49,177
Proceeds from the sale of treasury shares to stock option beneficiaries	110	805
Dividends paid to minority shareholders of subsidiaries	-	(874)
Disbursements (repayments) of shareholder loans	-	(61)
Change in other financial assets	(9)	(16)
Payment of finance lease installments (principal)	(684)	(806)
Net cash generated by (used in) financing activities	<u>(26,037)</u>	<u>123,263</u>
Net increase (decrease) in cash and cash equivalents	<u>(19,578)</u>	<u>25,213</u>

(€/000)	<u>2016</u>	<u>2015</u>
Net increase (decrease) in cash and cash equivalents	(19,578)	25,213
Translation differences for cash held by non-EU companies	(1,434)	3,164
Initial cash and cash equivalents of companies consolidated for the first time with the integral method	161	435
Cash and cash equivalents at the beginning of the period	129,395	59,389
Cash and cash equivalents at the end of the period	<u>108,544</u>	<u>88,201</u>

Cash and cash equivalents consist of the following:

	31/03/2016	31/12/2015
	€/000	€/000
Cash and cash equivalents from balance sheet	110,408	135,130
Bank payables (advances and subject to collection)	<u>(1,864)</u>	<u>(5,735)</u>
Cash and cash equivalents from cash flow statement	<u>108,544</u>	<u>129,395</u>

Consolidated statement of changes in shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Reserve for valuation of derivatives at fair value	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholders' equity	Non-controlling interests	Total
<i>At 1 January 2015</i>	53,871	11,323	101,237	(19)	(5,273)	3,809	295,747	460,695	5,855	466,550
Recognition in income statement of fair value of stock options granted and exercisable	-	-	337	-	-	-	-	337	-	337
Purchase of treasury shares	(763)	-	(18,180)	-	-	-	-	(18,943)	-	(18,943)
Transfer of treasury shares to stock option beneficiaries	181	-	624	-	-	-	-	805	-	805
Transfer of treasury shares as payment for investments	2,468	-	46,709	-	-	-	-	49,177	-	49,177
Dividends distributed to third parties	-	-	-	-	-	-	-	-	(790)	(790)
Comprehensive income (loss) for first quarter of 2015	-	-	-	19	-	28,310	29,203	57,532	536	58,068
<i>At 31 March 2015</i>	55,757	11,323	130,727	-	(5,273)	32,119	324,950	549,603	5,601	555,204
Recognition in income statement of fair value of stock options granted and exercisable	-	-	1,033	-	-	-	-	1,033	-	1,033
Purchase of treasury shares	(559)	-	(14,529)	-	-	-	1,322	(13,766)	-	(13,766)
Transfer of treasury shares to stock option beneficiaries	740	-	7,542	-	-	-	(921)	7,361	-	7,361
Transfer of treasury shares as payment for investments	94	-	14,182	-	-	-	(2,562)	11,714	-	11,714
Dividends distributed	-	-	-	-	-	-	(19,321)	(19,321)	(135)	(19,456)
Purchase of residual shares of subsidiaries	-	-	-	-	-	-	(191)	(191)	(280)	(471)
Comprehensive income (loss) for April-December 2015	-	-	-	(13)	1,772	(9,462)	88,427	80,724	285	81,009
<i>At 31 December 2015</i>	56,032	11,323	138,955	(13)	(3,501)	22,657	391,704	617,157	5,471	622,628
Recognition in income statement of fair value of stock options granted and exercisable	-	-	344	-	-	-	-	344	-	344
Purchase of treasury shares	(1,056)	-	(23,747)	-	-	-	-	(24,803)	-	(24,803)
Transfer of treasury shares to stock option beneficiaries	12	-	98	-	-	-	-	110	-	110
Dividends resolved to third parties	-	-	-	-	-	-	-	-	(828)	(828)
Comprehensive income (loss) for first quarter of 2016	-	-	-	21	-	(10,718)	21,665	10,968	1	10,969
<i>At 31 March 2016</i>	54,988	11,323	115,650	8	(3,501)	11,939	413,369	603,776	4,644	608,420

Fine Comunicato n.0159-58

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