



**INTERPUMP
GROUP**



Presentation to Analysts and Investors

Q1 2017 Results
May 2017



Presentation to Analysts and Investors

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Table of Contents

Presentation to Analysts and Investors

Q1 2017 Highlights	3
FY 2016 Highlights	5
Who We Are	9
Geographic and Sector Diversification	17
M&A	22
Institutional Information	27
Appendix: History in Numbers	29

€ mn

	Q1 2016	Q1 2017	Change
SALES	226.7	272.7	+20.3%
EBITDA	47.6	62.8	+31.9%
% on sales	21.0%	23.0%	
NPAT	21.9	32.5	+48.8%
% on sales	9.7%	11.9%	
NET DEBT (31/03)			
Net Financial Position	274.4	305.9	+31.5 mn
Valuation of Put Options	22.8	50.8	+28.0 mn
TOTAL DEBT	297.2	356.7	+59.5 mn
TREASURY SHARES (31/03)			
Number of shares	3,133,412	2,227,252	

€ mn

	SALES			EBITDA				
	Q1 2016	Q1 2017	Change	Q1 2016	% on sales	Q1 2017	% on sales	Change
HYDRAULICS	145.6	175.0	+20.2%	27.7	19.0%	37.2	21.2%	+34.2%
WATER JETTING	81.1	97.8	+20.5%	20.0	24.5%	25.7	26.2%	+28.6%
TOTAL	226.7	272.7	+20.3%	47.6	21.0%	62.8	23.0%	+31.9%

€ mn

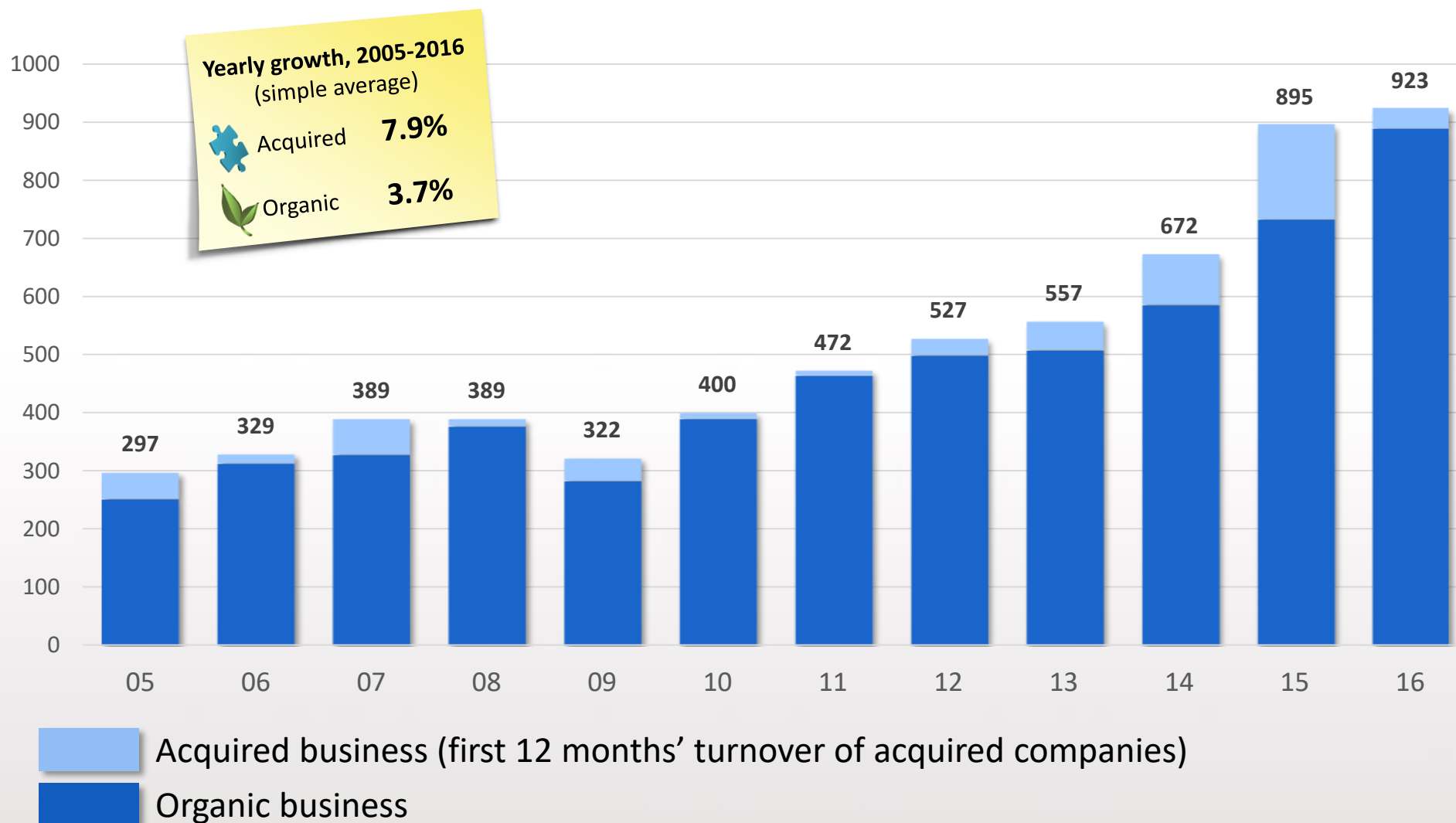
	FY 2015	FY 2016	Change
SALES	894.9	922.8	+3.1%
EBITDA	180.3	198.5	+10.1%
% on sales	20.1%	21.5%	
NPAT (normalized*)	86.3*	94.5	+9.5%
% on sales	9.6%	10.2%	
NET DEBT (31/12)			
Net Financial Position	255.0	257.3	+2.3 mn
Valuation of Put Options	23.2	42.8	+19.6 mn
TOTAL DEBT	278.2	300.0	+21.8 mn
TREASURY SHARES (31/12)			
Number of shares	1,125,912	2,281,752	

* Statutory 2015 net income was € 118.3 mn due to a one-off financial income of € 32 mn arising from put options exercised earlier than expected

€ mn

	SALES			EBITDA				
	FY 2015	FY 2016	Change	FY 2015	% on sales	FY 2016	% on sales	Change
HYDRAULICS	560.3	596.8	+6.5%	96.6	17.2%	115.4	19.3%	+19.5%
WATER JETTING	334.7	326.0	-2.6%	83.7	24.9%	83.1	25.4%	-0.7%
TOTAL	895.0	922.8	+3.1%	180.3	20.1%	198.5	21.5%	+10.1%

Sales* in € mn

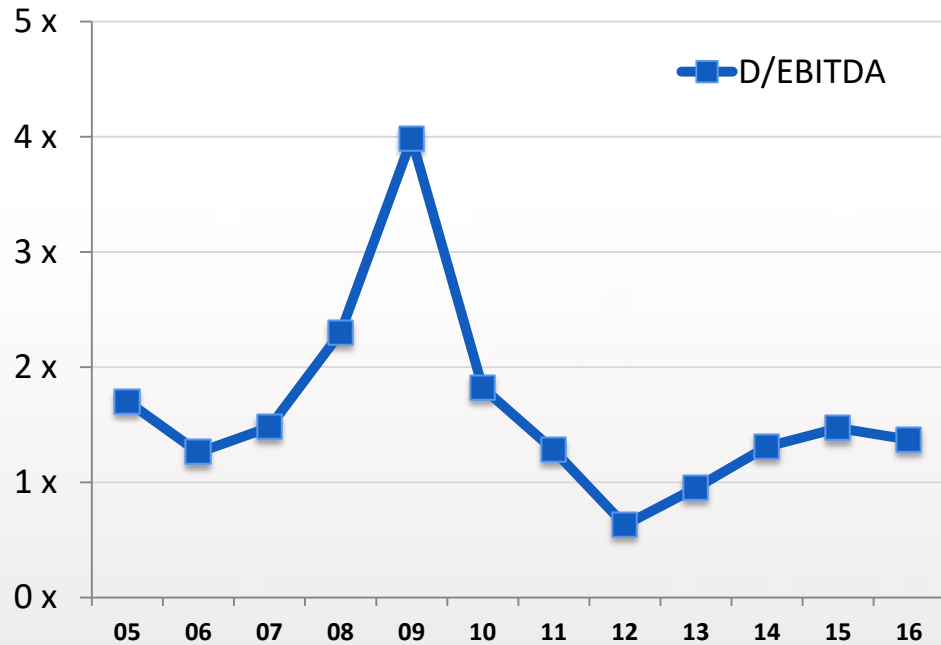


*net of Cleaning (dismissed in 2005) and Electric Motors (2011) for consistency with current business

Prudent debt policy and satisfactory return on capital employed

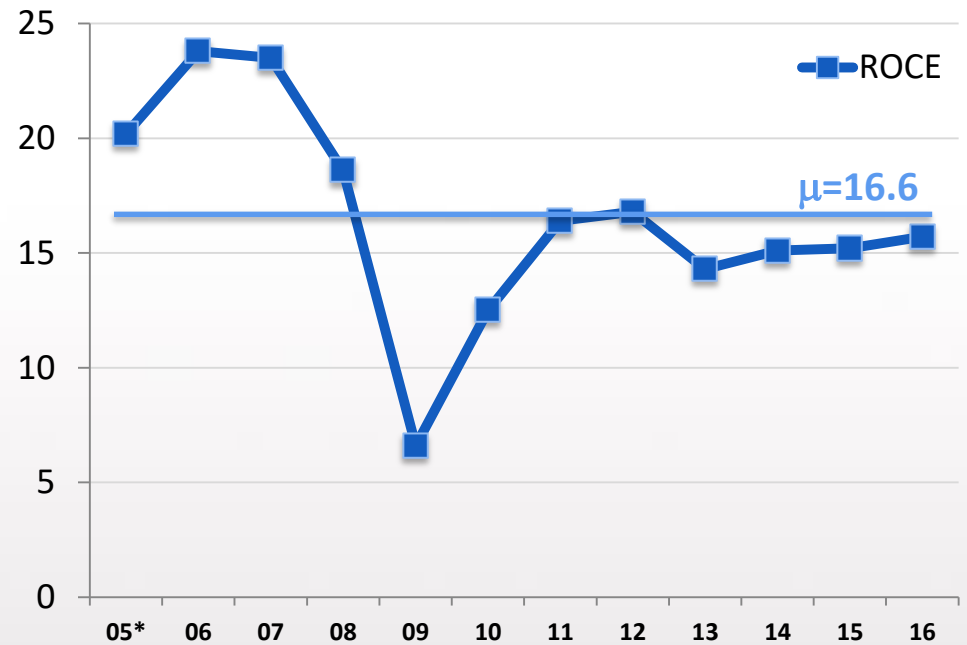
Net Debt / EBITDA (12 M)

Net of treasury stock and including commitments for purchase of investments

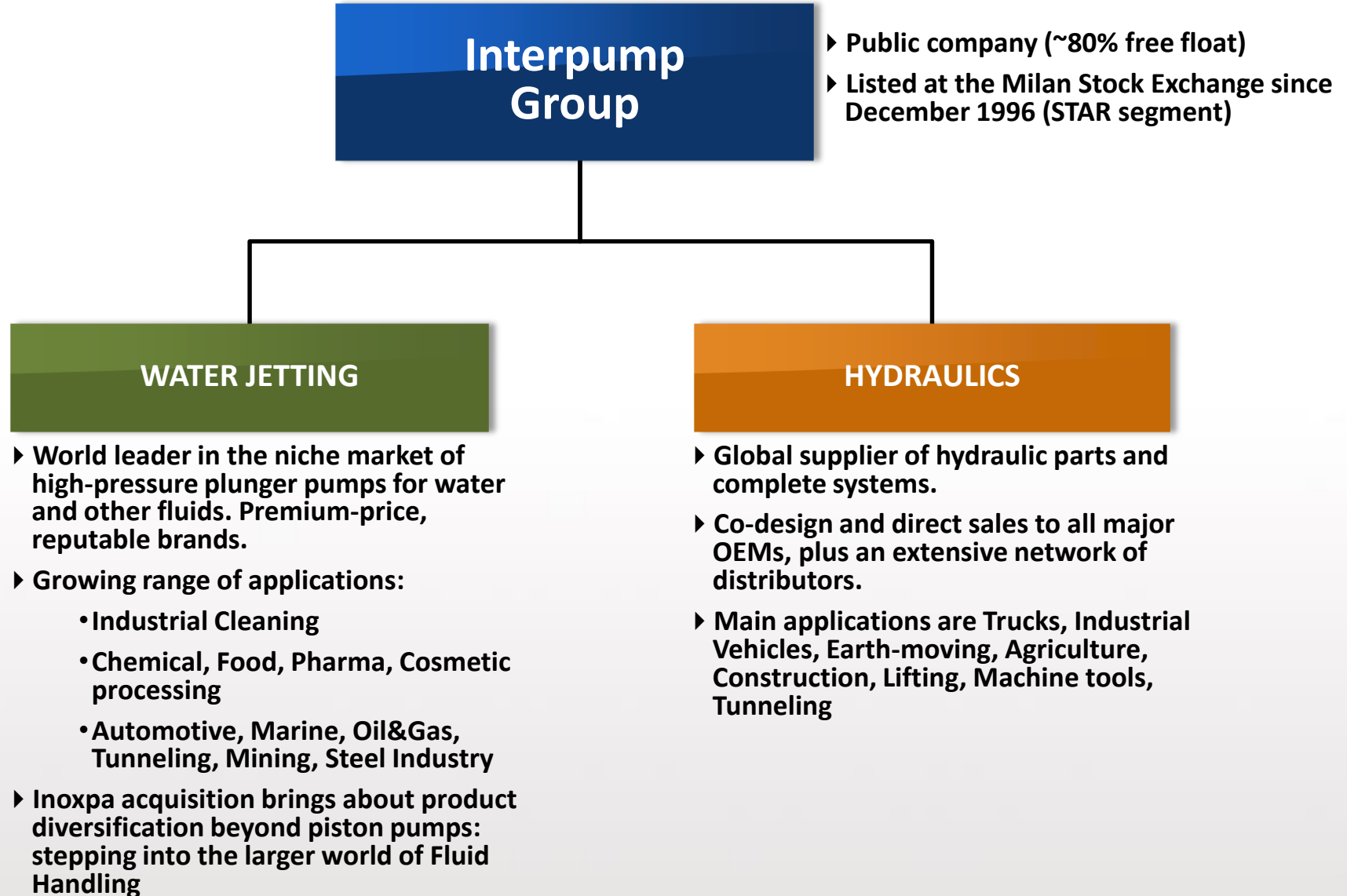


Return On Capital Employed (12M)

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



*without the Cleaning Sector



Diversified across every dimension

Diversification of our business is the key to our resilience and low overall cyclicity

Both divisions have moved from the initial 100% concentration in one sector to a **wide range of applications across different industries**

Hydraulics: ongoing enlargement of product range through acquisitions.

Water-Jetting: Inoxpa marks the first step of the expansion from water-jetting into the wider world of fluid handling.

Our **20 largest customers** amount for about **10% of consolidated sales**.
No single customer above 1%



We sell our products **all over the world**, either through our increasing direct presence, or through distributors.

Most goods sold are produced locally or at least in the **same currency**. Our FX impact is only relative to the translation of financial statements. **No currency hedging** is necessary.

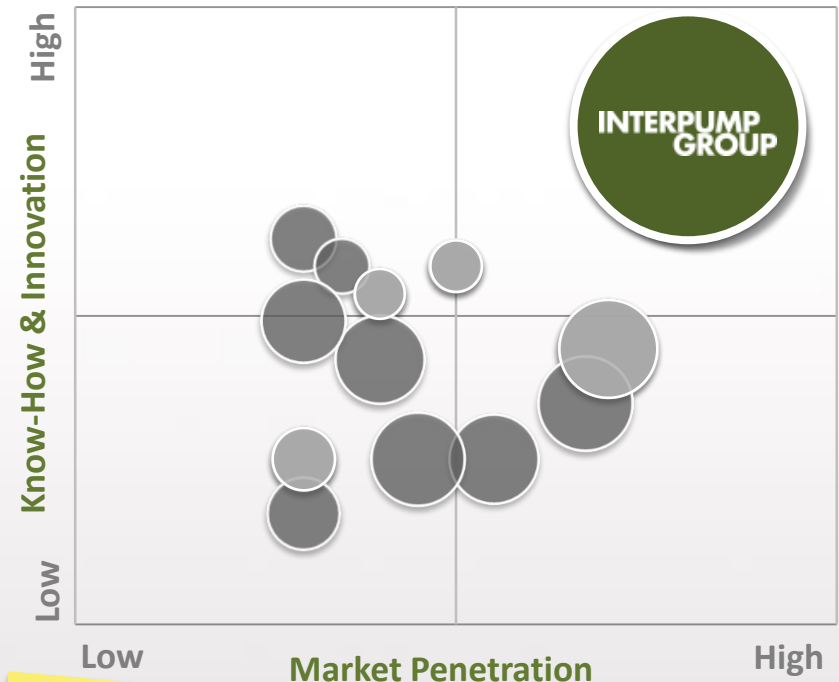
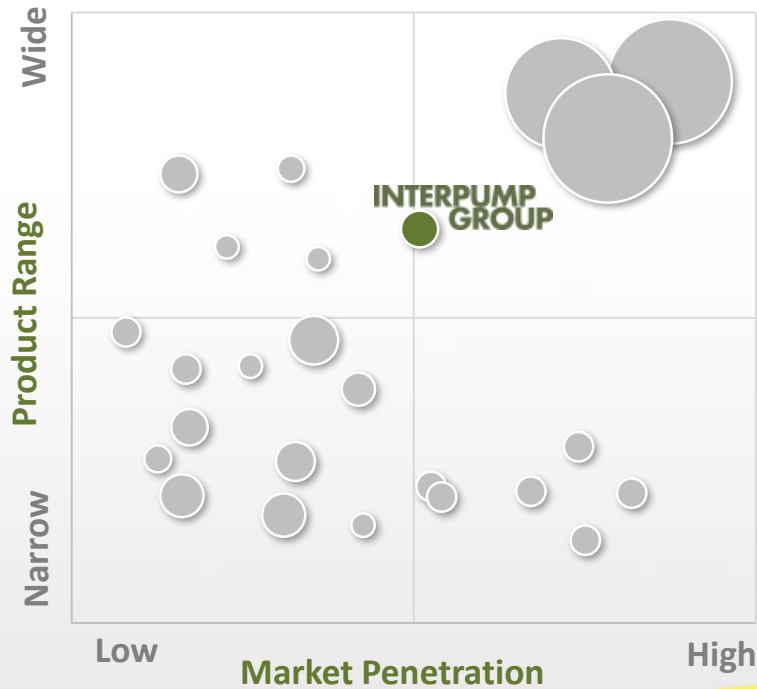
Stainless steel, aluminium, brass, cast iron, copper, and countless other alloys. **Smart, forward-looking buying policy** keeps us safe from price volatility.

All classes of customers are serviced directly, through a local subsidiary, or through a distributor according to their size and importance: **from the world's largest OEMs to small retail customers**



Flow Handling
Food, Cosmetics & Pharma
 (estimated market size: € 8 bn/yr)

Niche of Very High Pressure Plunger Pumps
 (estimated market size: € 0.7bn/yr)

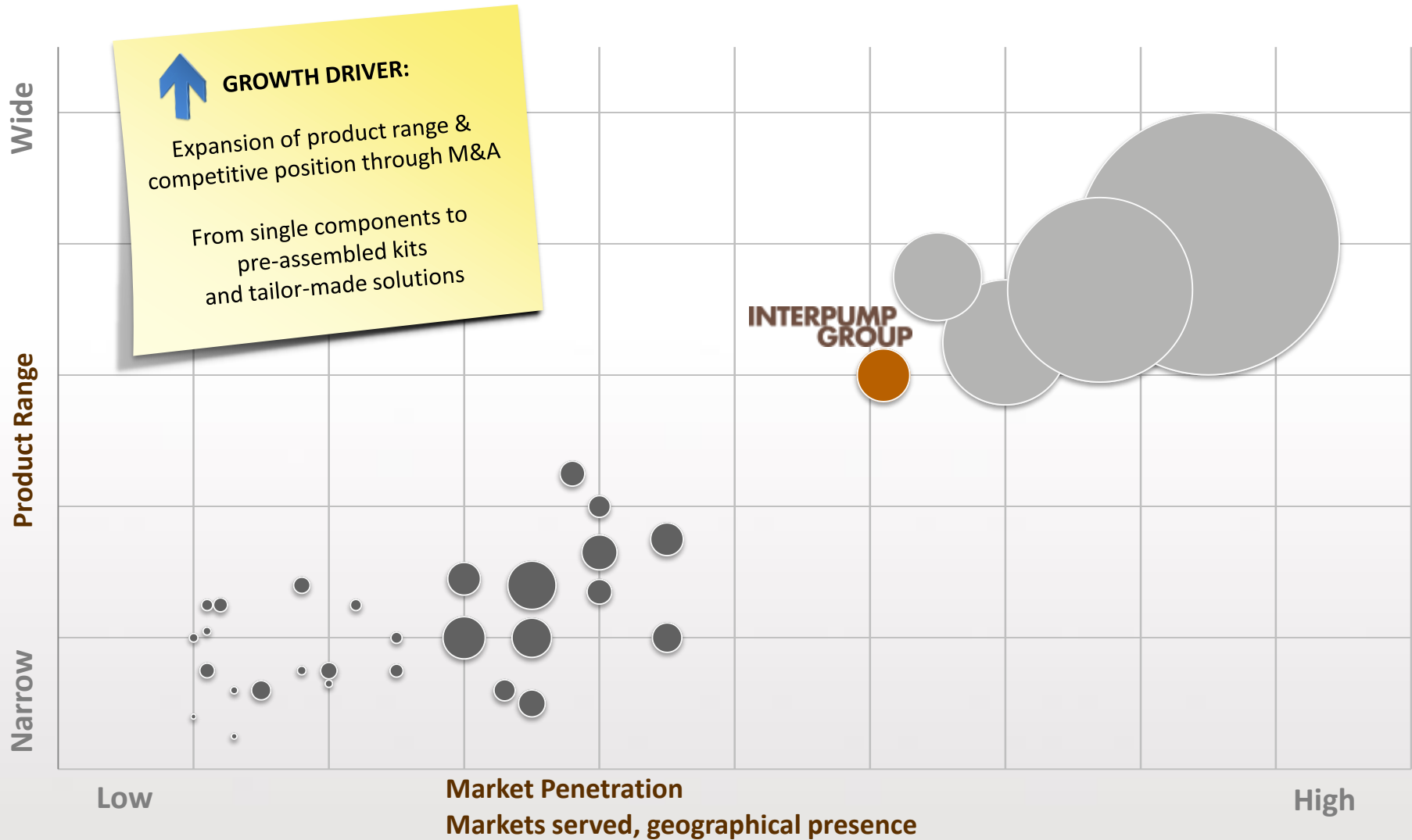


Expansion of product range & competitive position through M&A

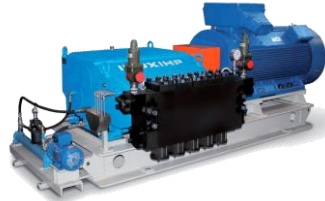


New applications for high-pressure technology appearing continuously in every sector

A fast-growing global player in a huge market (est. € 40 bn/yr)
with countless opportunities for acquisitions



March 2017 – Total employees: 1,213



▶ Plunger pumps
high flow/ high pressure
(1~450 HP)

▶ High-pressure pumps
(up to 1,500 HP -
4,500 bar/65K PSI)
▶ Design and supply
of turnkey solutions

▶ Production and rental
of high-pressure pumps
and complete systems

▶ Specialized solutions
for steel and mining
industry

▶ Homogenizers for
food, cosmetics, and
pharmaceutical industry

▶ Pumps, mixers,
components & systems
for food, cosmetics
and pharma



▶ U.S. Distributor

General Pump

Hammelmann



NLB



Inoxihp (53%)



Bertoli



Inoxpa



International presence (plants and subsidiaries)

Italy, USA, China

Germany, USA,
Australia, China, Spain

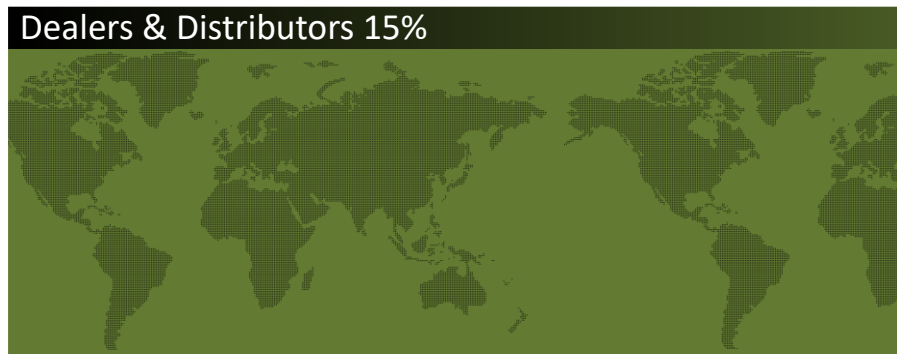
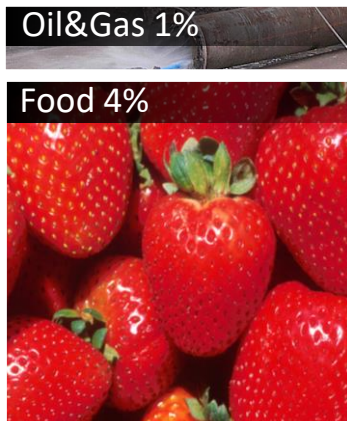
USA, Poland

Italy

Italy

Spain, India, Portugal,
Italy, UK, USA, France,
Denmark, Sweden,
Russia, China, UAE,
Ukraine, Moldova,
South Africa, Australia,
Colombia

Total 2016 sales: € 326 million



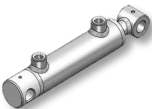
March 2017 – Total employees: 3,647

▶ Power Take-Offs



**INTERPUMP HYDRAULICS,
Muncie Power Products,
PZB, Hydrocar, Takarada**

▶ Cylinders



**Panni Oleodinamica
Contarini
Penta, Modenflex**

▶ Oil Tanks



American Mobile Power

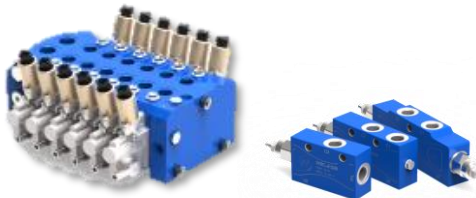
▶ Distributor for Oceania



Mega Pacific (65%)

▶ Valves

▶ Directional Control Valves



**WALVOIL
Hydrocontrol
Galtech
M.T.C.**

▶ Rubber hoses

**I.M.M.
Hypress
Interpump Hose**



▶ Metallic flexible hoses

Tubiflex (80%)



▶ Rigid pipes

Tekno Tubi



▶ Hose assembly machines



Endeavour

▶ 24/7 service & repairs



Bristol Hose

International presence (plants and subsidiaries)

Italy, USA, UK, France, Bulgaria,
Brazil, Chile, Peru,
China, India, Australia, New Zealand,
South Africa, UAE

Italy, USA, Canada, France,
India, China, Korea, Australia

Italy, France, Germany, Romania,
UK, South Africa

Total 2016 sales: € 597 million

Earth Moving 10%



Truck Manufacturers 4%



Truck Outfitters 18%



- Tipping trucks
- Trash collection
- Sewer cleaning
- Firefighting
- Snow plowing
- Towing
- Car Carriers
- Crane trucks
- ...

Dealers & Distributors 39%



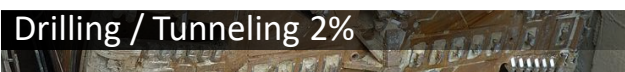
Construction 4%



Agriculture 7%



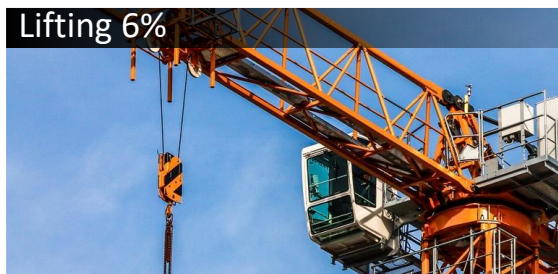
Drilling / Tunneling 2%



Other Industry 6%



Lifting 6%



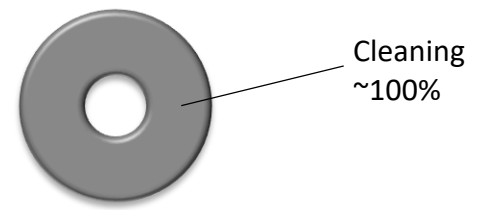
Other 4%

Diversification by application field

Significant reduction of cyclicity and correlation achieved over the past decade

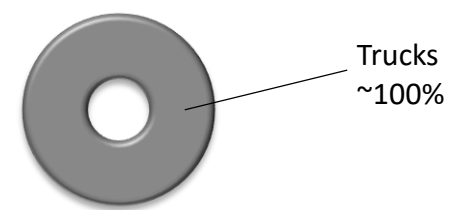
WATER JETTING

2004

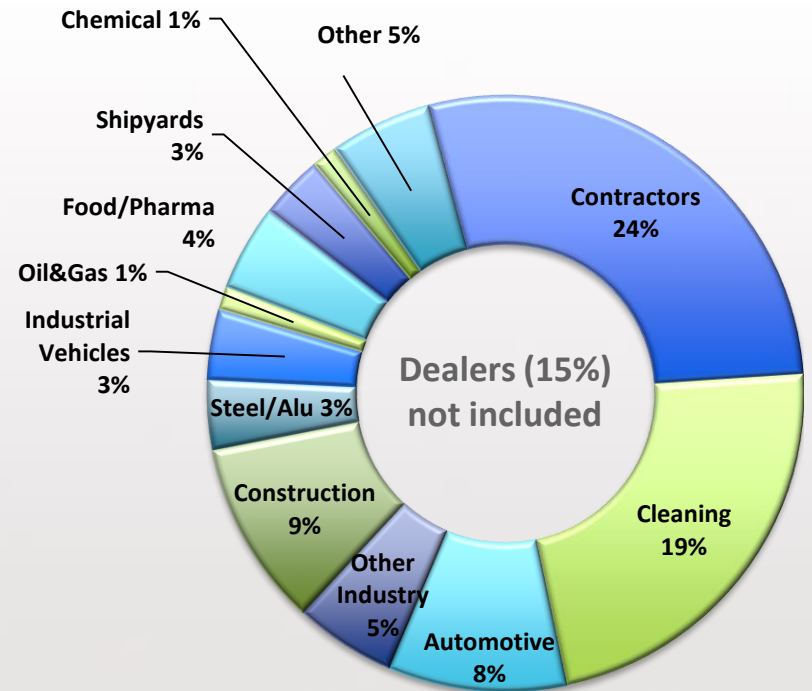


HYDRAULICS

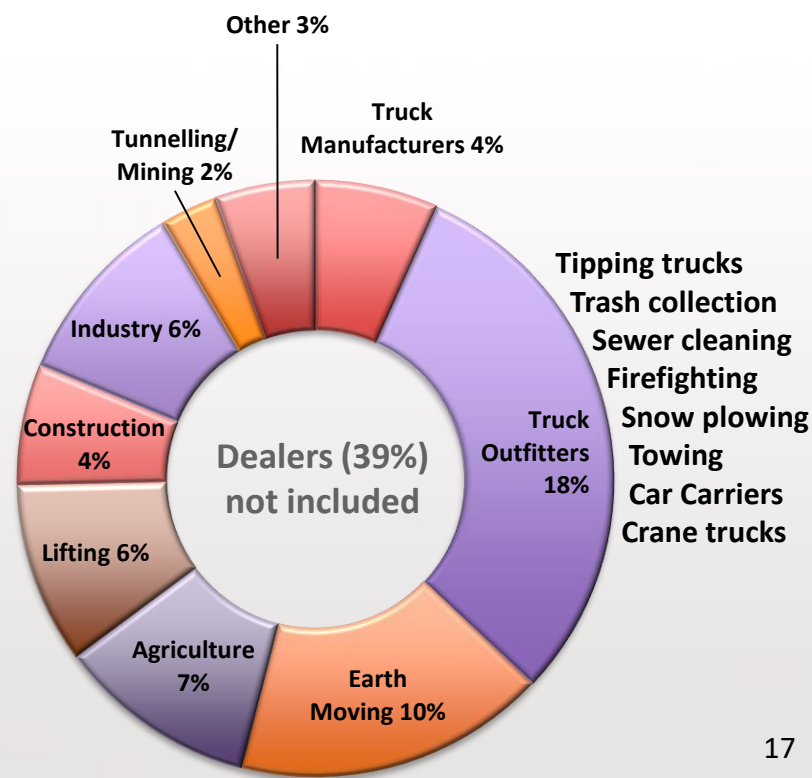
2008



2016

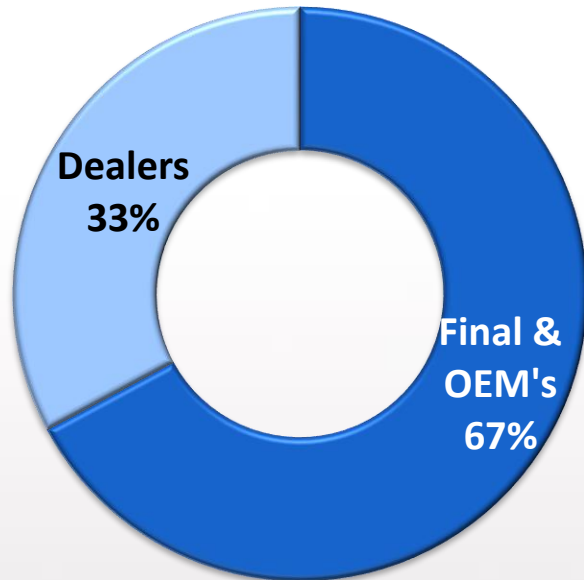


2016



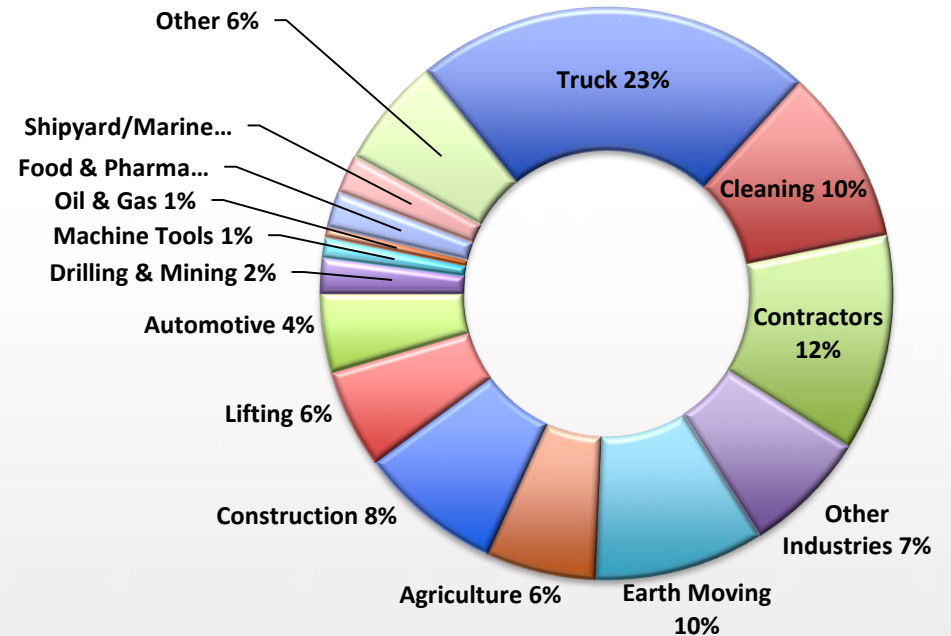
Total sales by channel

2016 Total Turnover: Euro 923 Million



Sales by Application Field

Dealers not included

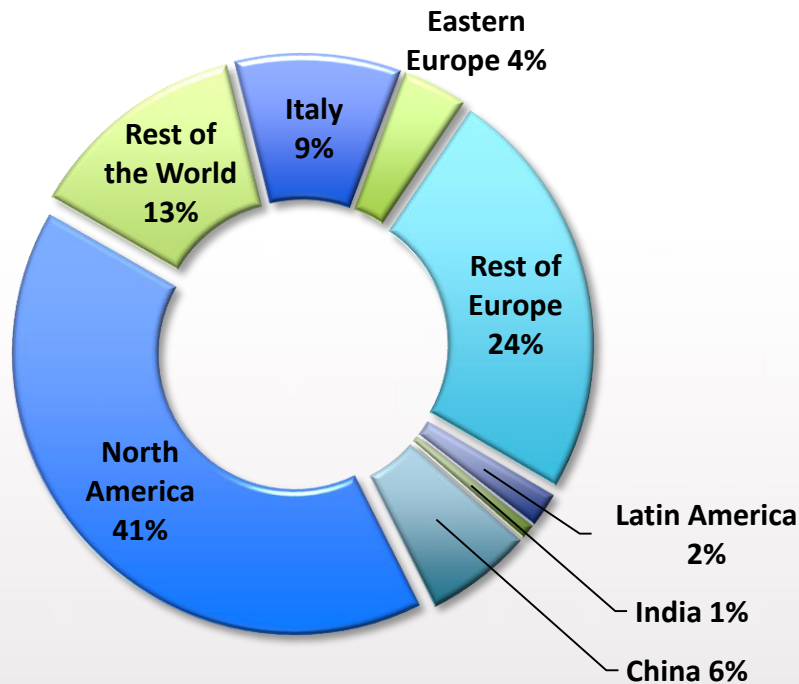


Diversification of our business is the key to our resilience and low overall cyclicality

Geographical breakdown of sales by sector

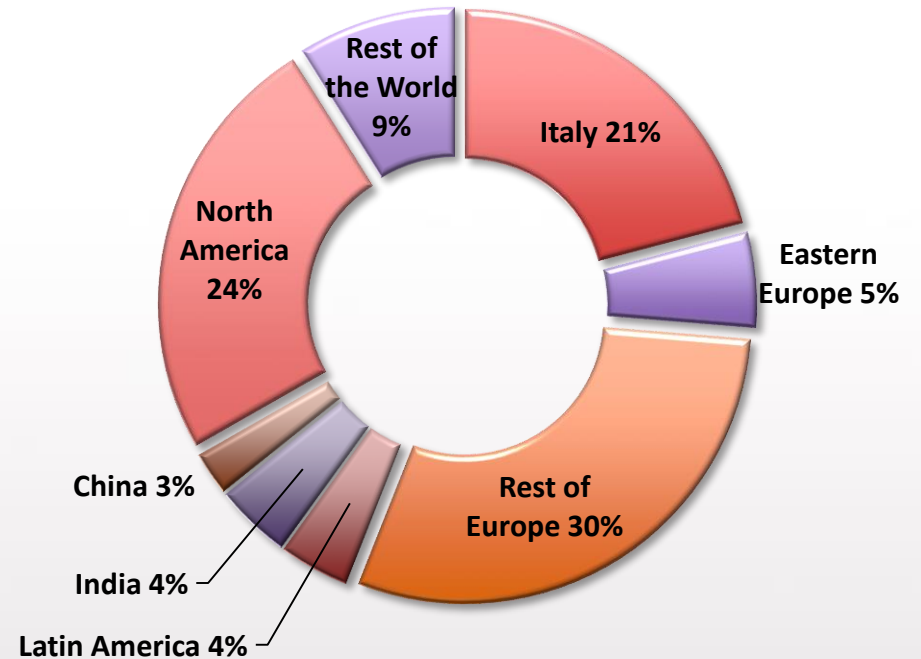
WATER JETTING

Total 2016 Turnover: Euro 326 Million



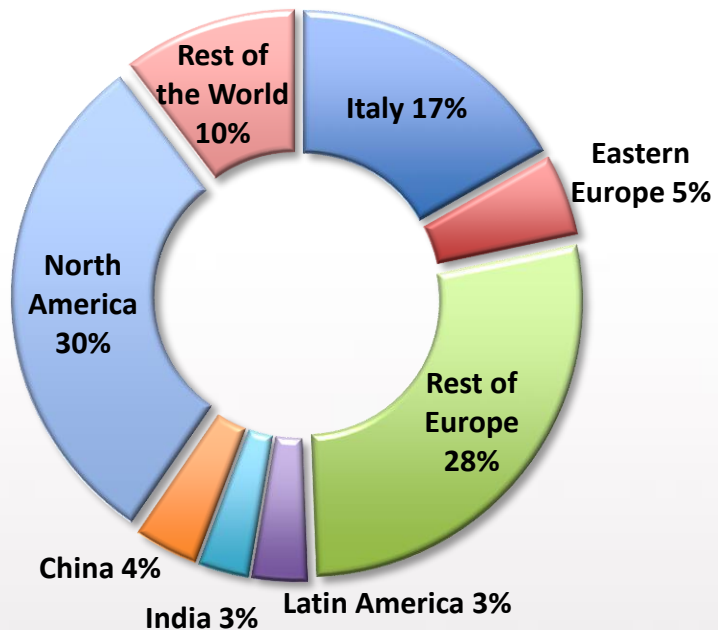
HYDRAULICS

Total 2016 Turnover: Euro 597 Million

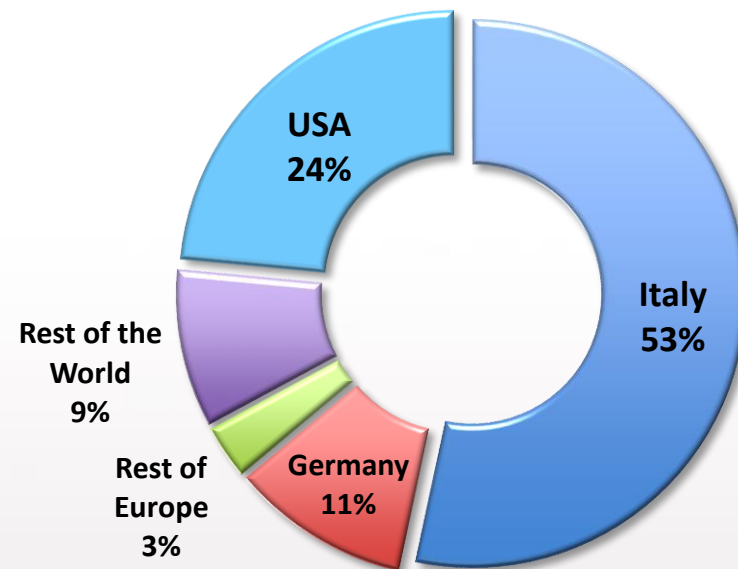


Geographical breakdown of sales and production (2016: € 923 mn)

Sales



Production



Focus on emerging markets: a well-balanced presence

BRAZIL



Strong and efficient presence. Restructuring completed.

2016-2017 sales pattern suggests signs of recovery

INDIA



Leader in hydraulic business.

4 Production Units to serve important OEM customers (JCB, Tata, Ashok Leyland).

Ongoing investment and subsidiary rationalization program

CHINA



A very lively market for Water-Jetting

Hydraulics: Ready to support the next-generation motorization

Ongoing rationalization of subsidiaries

SOUTH KOREA



A new opportunity in a fast growing market.



25 companies acquired since the IPO in 1996 representing roughly 2/3 of each year's growth



3 kinds of acquisitions: Completing the product range, reinforcing competitive positioning, enhancing distribution



Bolt-on acquisitions: no disruption in activity, immediate synergies



Soft integration policy: existing management, brands, IT systems are preserved



Reasonable multiples paid, based on EV/EBITDA ratio



Remarkable increase in EBITDA margins of acquired companies

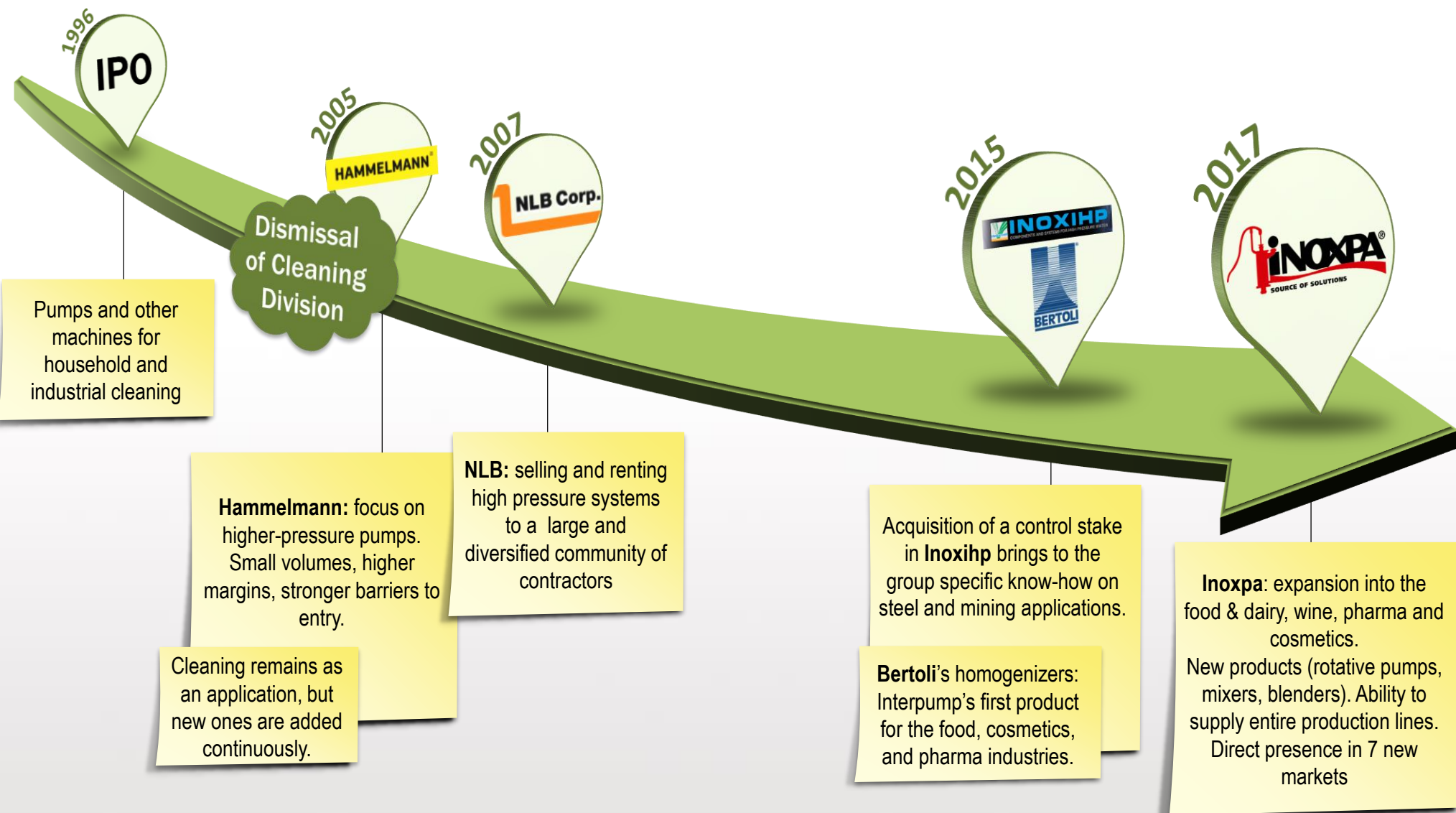


Frequent acquisition of a control stake with agreements for acquiring the minority interest in a few years



Use of Interpump treasury share to pay for some acquisitions

Applications: from cleaning to countless



1996
IPO

Pumps and other machines for household and industrial cleaning

2005
HAMMELMANN

Dismissal of Cleaning Division

Hammelmann: focus on higher-pressure pumps. Small volumes, higher margins, stronger barriers to entry.

Cleaning remains as an application, but new ones are added continuously.

2007
NLB Corp.

NLB: selling and renting high pressure systems to a large and diversified community of contractors

2015
INOXIHP
BERTOLI

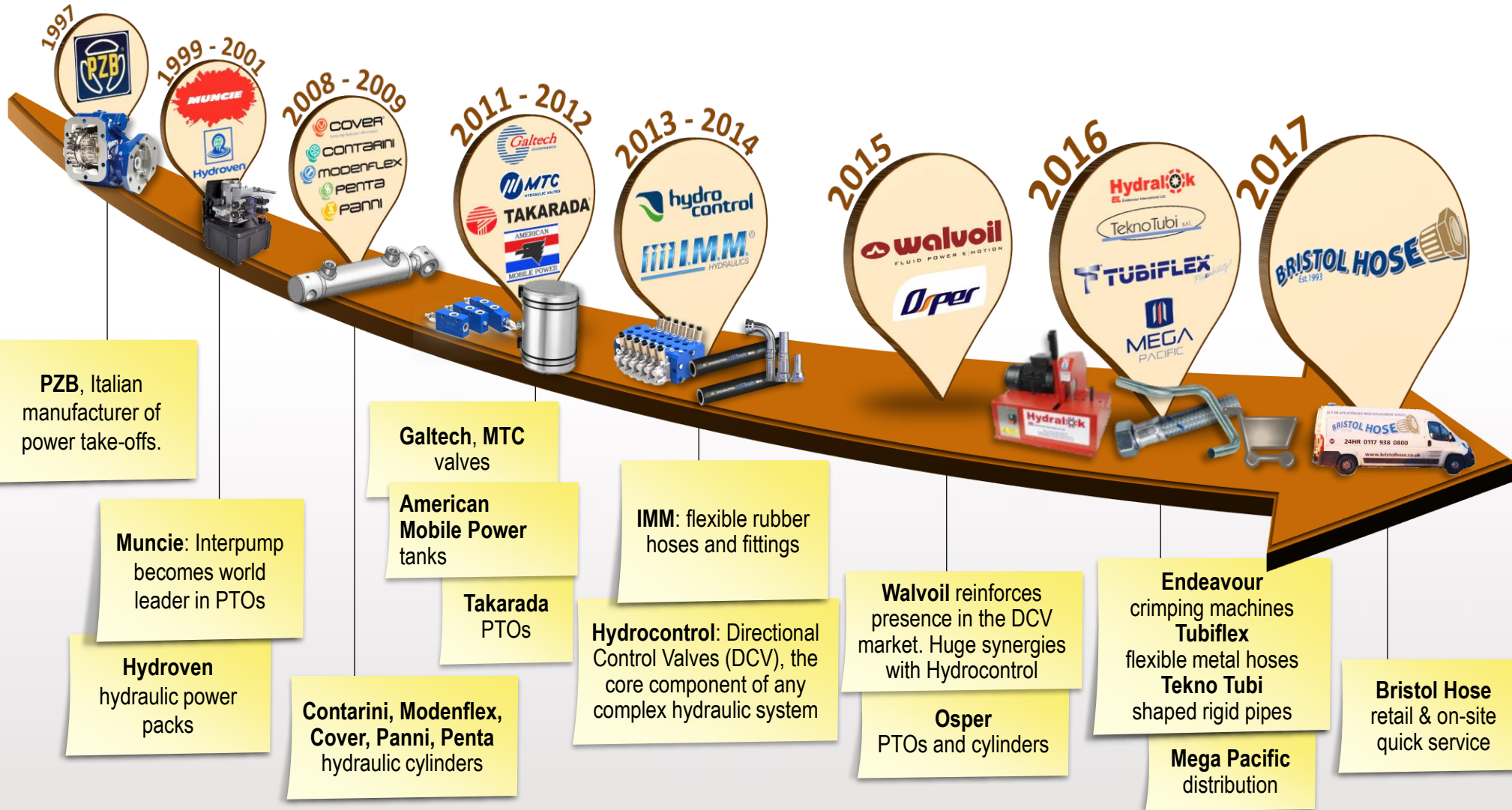
Acquisition of a control stake in **Inoxihp** brings to the group specific know-how on steel and mining applications.

Bertoli's homogenizers: Interpump's first product for the food, cosmetics, and pharma industries.

2017
INOXPA
SOURCE OF SOLUTIONS

Inoxpa: expansion into the food & dairy, wine, pharma and cosmetics. New products (rotative pumps, mixers, blenders). Ability to supply entire production lines. Direct presence in 7 new markets

Products: from PTOs only to integrated hydraulic kits, systems and services



Bristol Hose Ltd. is a supplier of goods and services in the **hydraulic hoses and fittings** market, headquartered in Bristol, UK.

They operate through 2 sales counters and 9 mobile workshops for on-site 24/7 repair services.

Main Figures	2016 (GBP mn)
SALES	2.25
EBITDA	13%
NET FINANCIAL POSITION	0.42

Total acquisition price, for 100%
 GBP 550,000 (in cash)

Part of a **micro-acquisition program**, aimed at reinforcing **direct presence** in various markets, while increasing the **service component** which can now include on-site delivery and repairs





Main Figures	2016 (€ mn)	
SALES	59.4	
EBITDA	11.5	19.3%
NET CASH	14.0	
EMPLOYEES	676	
Total acquisition price, for 100%		
€ 90 million (in cash)		

Inoxpa, headquartered near Girona (Spain), is a well-known manufacturer of process equipment and flow handling systems for the **food, cosmetics and pharmaceutical** industries.

The group has a direct presence in **17 countries**, with **3 major production centers** (Spain, India, Portugal) and **6 engineering centers** in Europe and India.

The second and largest step into these **fast-growing and highly anti-cyclical** markets, Inoxpa brings to Interpump's Water-Jetting sector:

- a major **product diversification**
- a new, additional growth driver: **cross-selling**
- further expansion of the **international footprint**



as of 28 April 2017

Board of Directors

★ = independent

Fulvio Montipò *Chairman of the Board and Chief Executive Officer*

Paolo Marinsek *Deputy Chairman of the Board*

★ **Franco Garilli** *Lead Independent Director*

★ **Angelo Busani** *Minority Director*

★ **Antonia Di Bella**

★ **Marcello Margotto**

★ **Stefania Petruccioli**

★ **Paola Tagliavini**

Giovanni Tamburi

Operations Management Committee

Massimiliano Bizzarri *General Manager,
High-pressure pumps & Flow Handling*

Pietro Iotti *General Manager,
PTOs, Hydraulic Pumps & Cylinders*

Victor Gottardi *General Manager,
DCVs and Valves*

Fabio Marasi *General Manager,
Hoses & Fittings*

Luca Mirabelli *Head of Investor Relations*

Chief Financial Officer

Carlo Banci

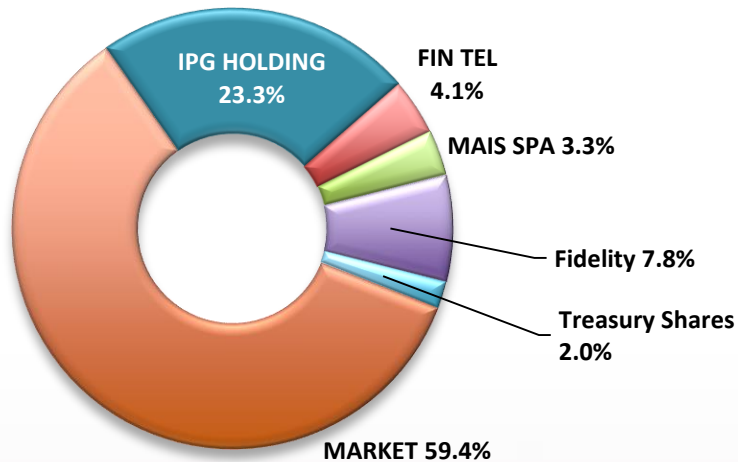
Independent Auditors

EY S.p.A.

Updated 10/5/2017

Shareholder Structure

Source: CONSOB/Company



Analyst Coverage

Banca Aletti
Banca Akros
Equita SIM
Exane BNP Paribas
Fidentiis
Intermonte
Kepler Cheuvreux
Mediobanca

Andrea Bonfà
Paola Saglietti
Domenico Ghilotti
Michele Baldelli
Xhois Hatibi
Jacopo Tagliaferri
Matteo Bonizzoni
Alessandro Tortora

Interpump Stock Performance

Total return to shareholders since the IPO: 14.6% per year
(assuming dividend reinvestment and participation to the '09 capital increase)

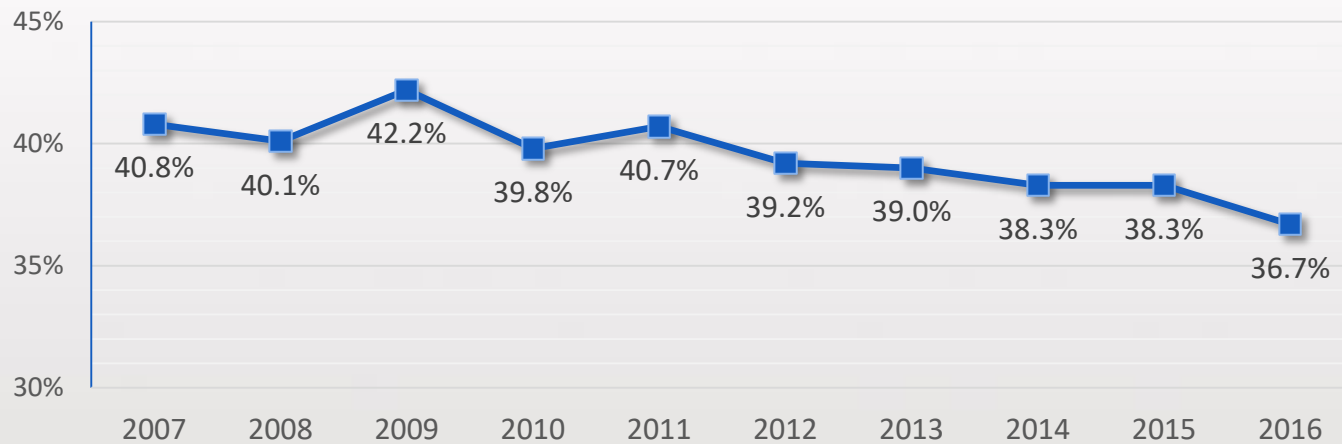
Share price	24.95
Market Capitalization	€ 2.7 bn
Performance 3 M:	+35%
Performance 1 Y:	+108%
Performance 2 Y:	+67%
Average daily Volume (2017)	287,358

1-yr trend: IP MI vs. FTSE STAR Index



Free Cash Flow 12 Months								
(euro/million)	2009	2010	2011	2012	2013	2014	2015	2016
Cash Flow from Operations	25.2	54.6	60.8	65.6	65.3	95.8	120.2	138.6
Working Capital	44.4	10.1	(21.8)	(12.3)	(1.7)	(23.7)	(6.6)	(12.8)
Capex	(9.2)	(8.7)	(11.8)	(15.8)	(29.8)	(34.1)	(28.9)	(36.5)
Other	2.7	1.0	3.7	3.6	0.5	0.3	0.5	0.7
Free Cash Flow	63.1	57.0	30.9	38.6	34.3	38.3	85.2	89.9

Purchases as a % of sales (yearly figures)



IPG has an excellent track record in keeping procurement costs well under control.

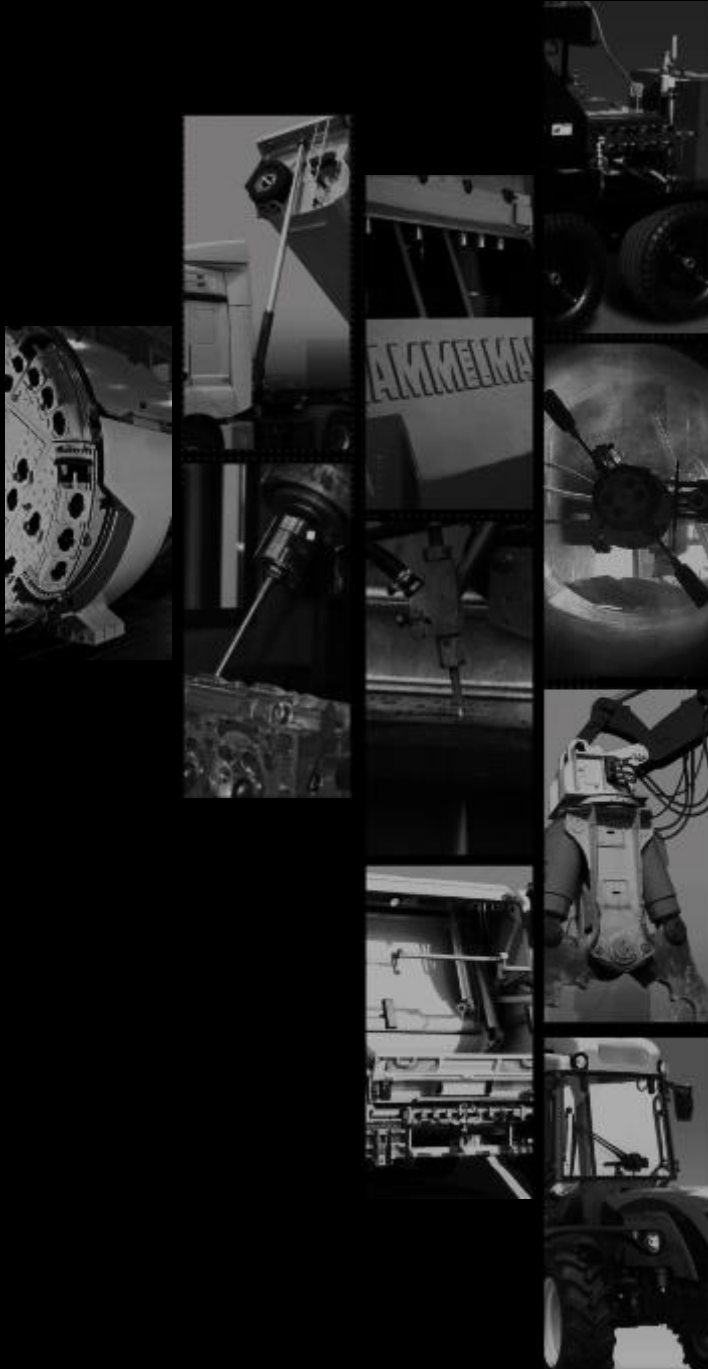
Synthesis of results (Twelve months*)

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	2015	2016
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	894.9	922.8
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	180.3	198.5
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%	20.1%	21.5%
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	136.9	153.5
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%	15.3%	16.6%
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	118.3	94.5
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%	13.1%	10.2%
Free Cash flow	8.4	9.2	32.1	26.5	42.1	19.4	17.2	15.9	1.0	52.1	37.9	32.0	22.1	63.1	57.0	30.9	38.6	34.3	38.3	85.2	89.9
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	265.1	271.5
(net of treasury stock and including commitments for purchase of investments)																					
Shareholder's 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	622.6	677.5
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	0.42	0.40

* From 2004 to 2015 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 in charge of 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. Ilario d'Enza, May 11, 2017

The Manager in charge of preparing
the company's financial reports

Carlo Banci