



**INTERPUMP
GROUP**



Presentation to Analysts and Investors

9M 2017 Results
November 2017



Presentation to Analysts and Investors

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€ mn

	9M 2016	9M 2017	Change
SALES	693.0	818.7	+18.1%
EBITDA	151.6	191.9	+26.6%
% on sales	21.9%	23.4%	
NPAT	73.6	99.1	+34.8%
% on sales	10.6%	12.1%	
NET DEBT (30/09)			
Net Financial Position	286.3	287.9	+1.6 mn
Valuation of Put Options	39.8	51.8	+12.0 mn
TOTAL DEBT	326.1	339.7	+13.6 mn
TREASURY SHARES (30/09)			
Number of shares	2,380,752	1,651,752	

€ mn

	SALES			EBITDA				
	9M 2016	9M 2017	Change	9M 2016	% on sales	9M 2017	% on sales	Change
HYDRAULICS	446.2	520.5	+16.6%	87.9	19.7%	112.4	21.6%	+27.9%
WATER JETTING	246.8	298.2	+20.8%	63.7	25.7%	79.5	26.5%	+24.7%
TOTAL	693.0	818.7	+18.1%	151.6	21.9%	191.9	23.4%	+26.6%

€ mn

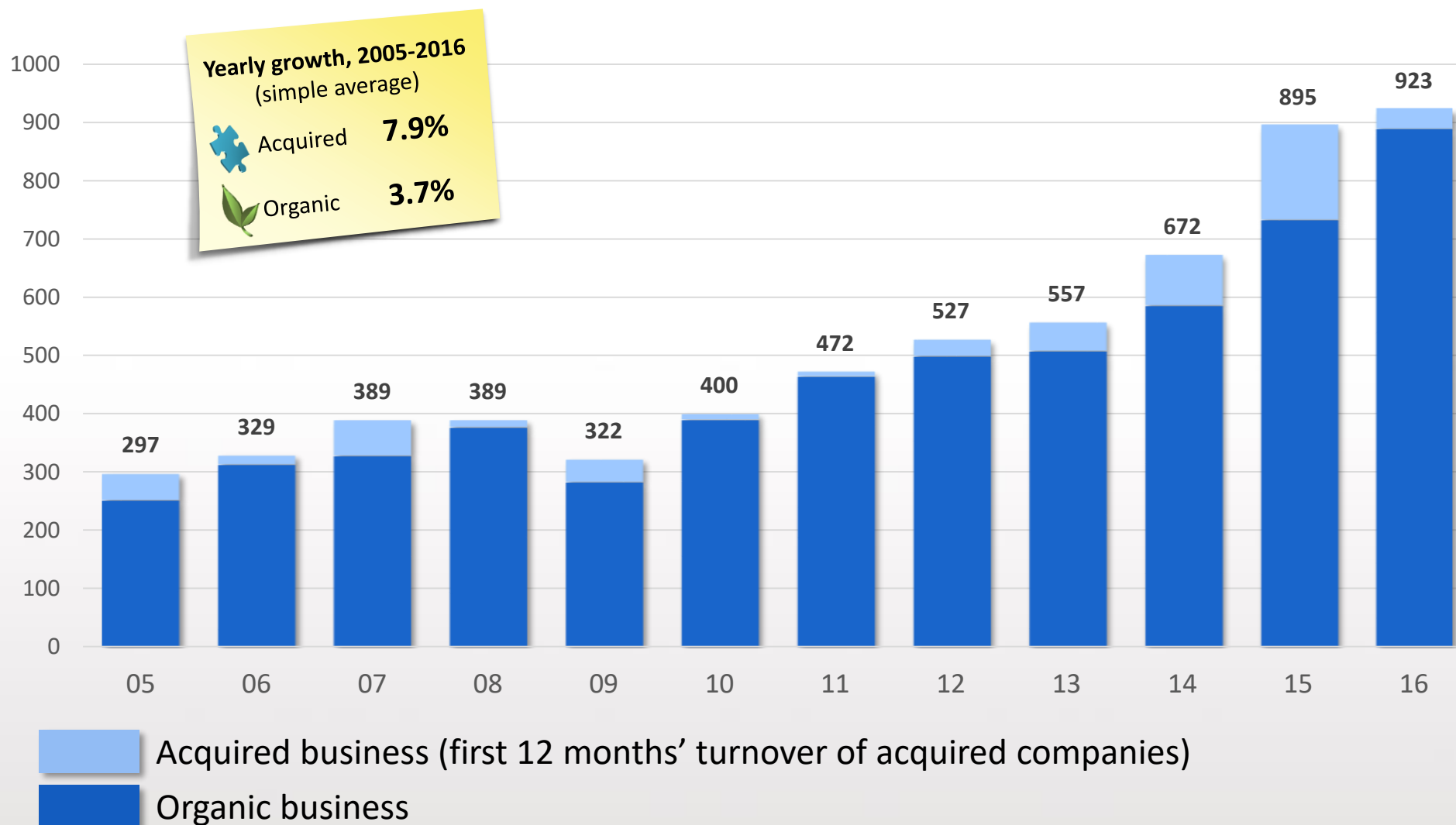
	FY 2015	FY 2016	Change
SALES	894.9	922.8	+3.1%
EBITDA	180.3	198.5	+10.1%
% on sales	20.1%	21.5%	
NPAT (normalized*)	86.3*	94.5	+9.5%
% on sales	9.6%	10.2%	
NET DEBT (31/12)			
Net Financial Position	255.0	257.3	+2.3 mn
Valuation of Put Options	23.2	42.8	+19.6 mn
TOTAL DEBT	278.2	300.0	+21.8 mn
TREASURY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

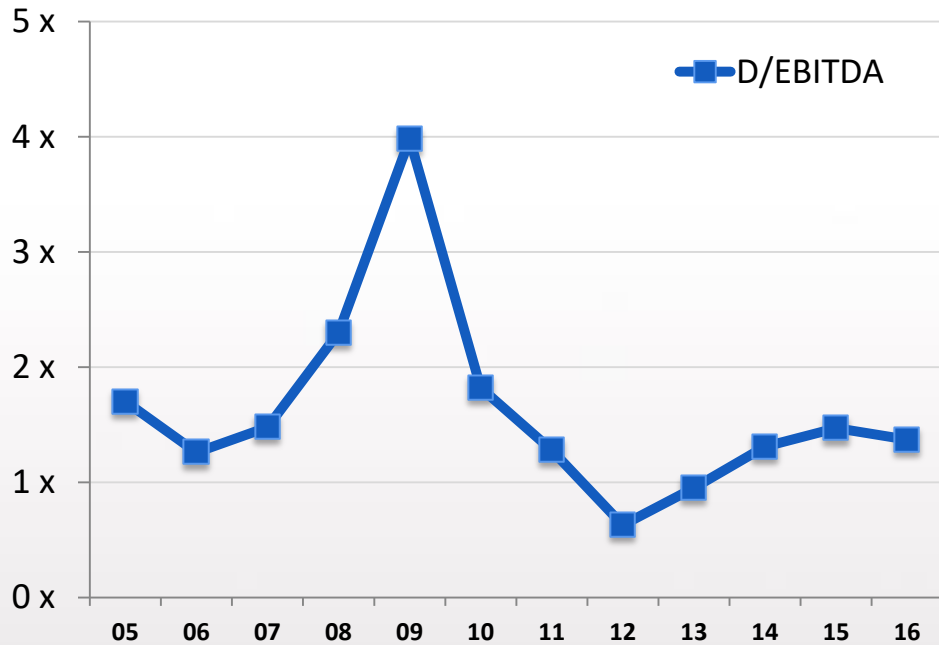


*net of Cleaning (dismissed in 2005) and Electric Motors (2011) for consistency with current business

Prudent debt policy and satisfactory return on capital employed

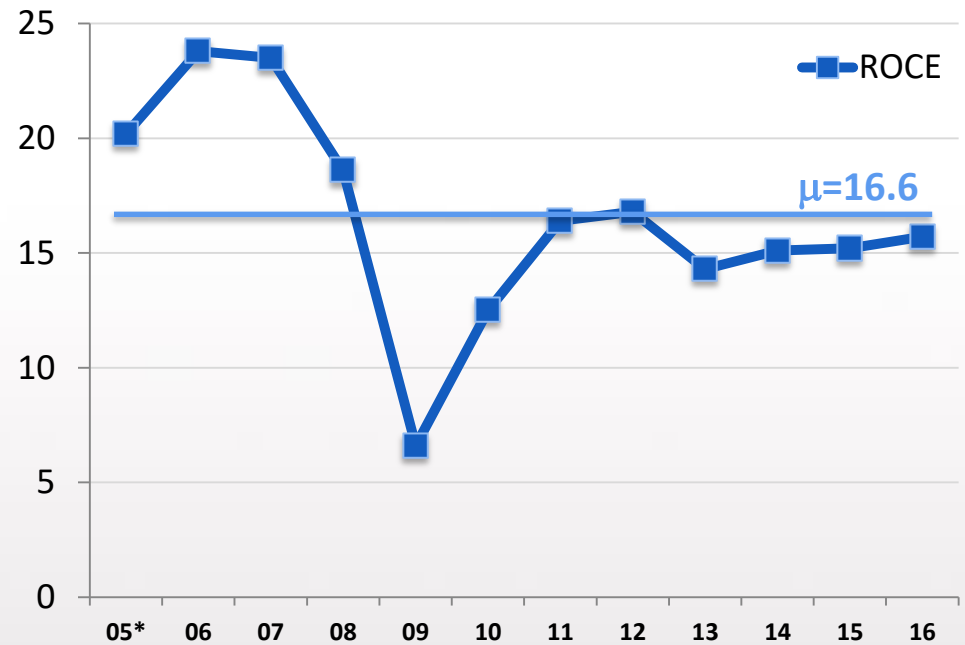
Net Debt / EBITDA (12 M)

Net of treasury stock and including commitments for purchase of investments

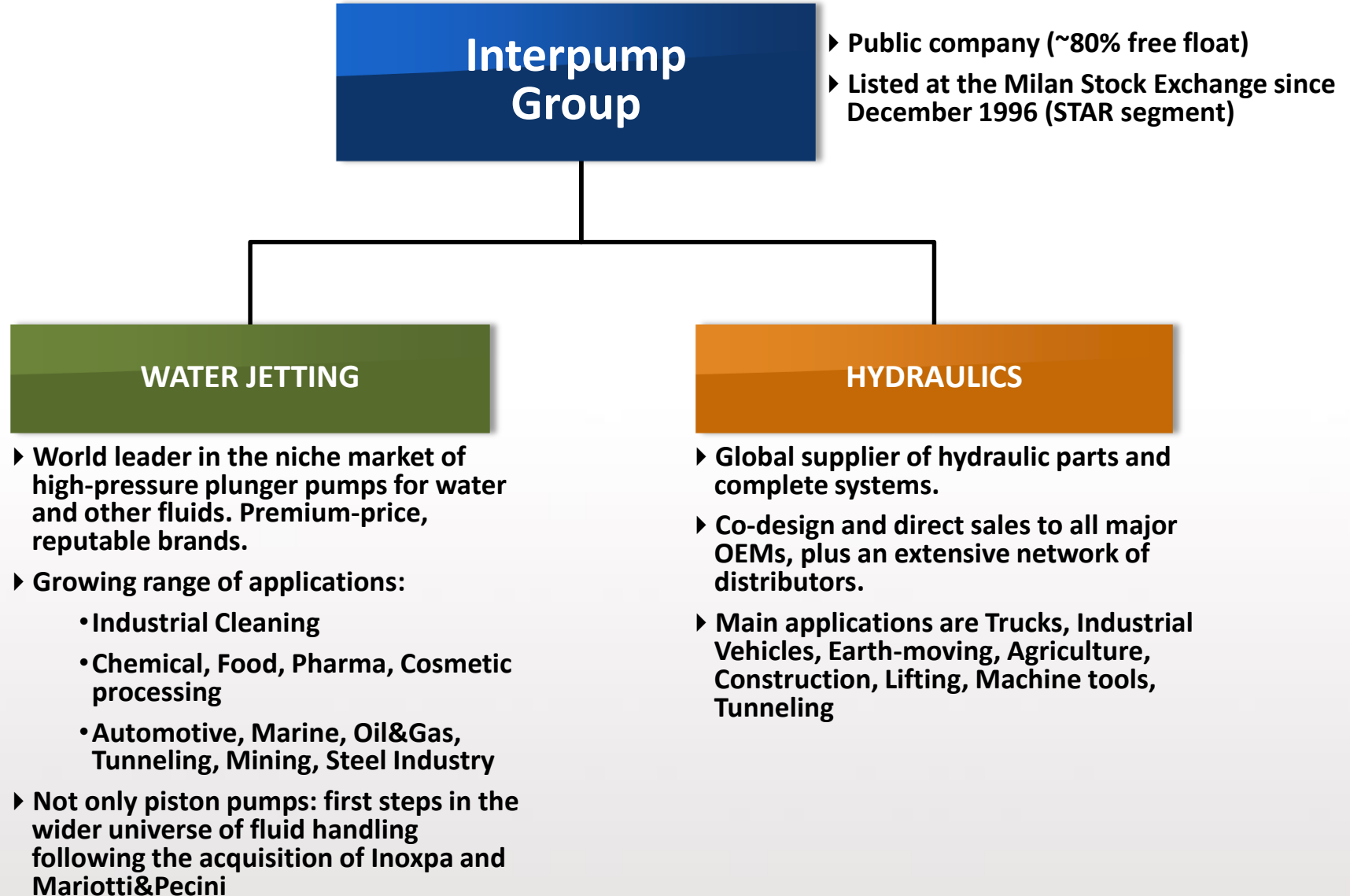


Return On Capital Employed (12M)

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



*without the Cleaning Sector





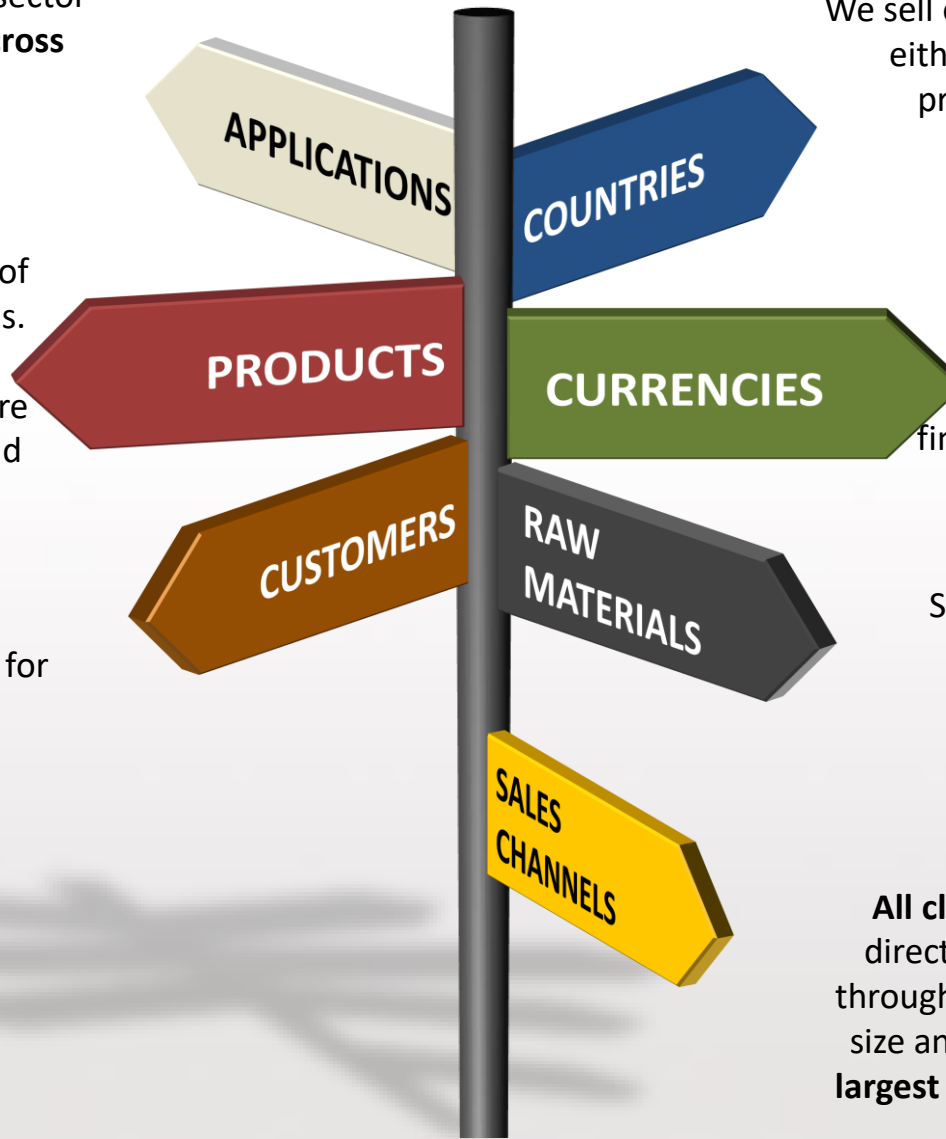
Diversified across every dimension

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: expansion from the historical niche of high-pressure pumps 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.

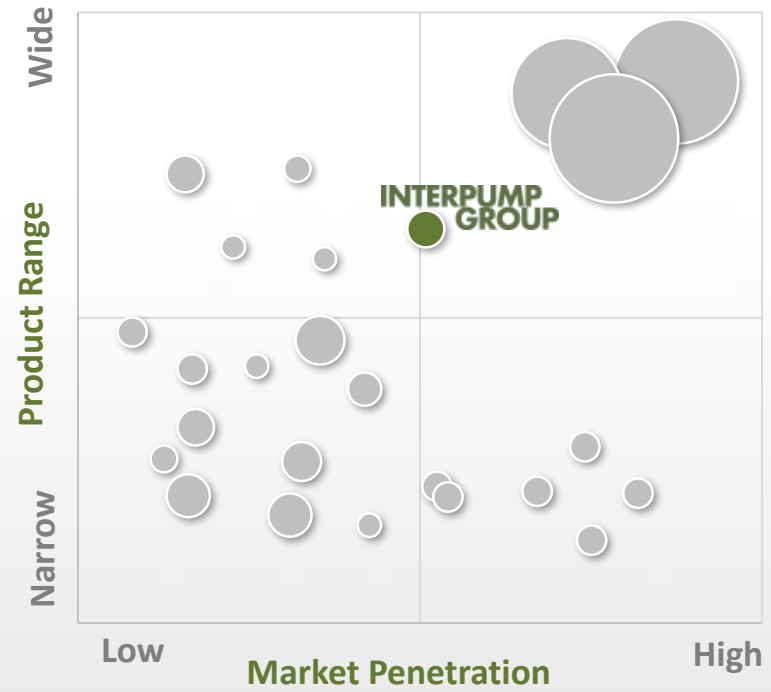
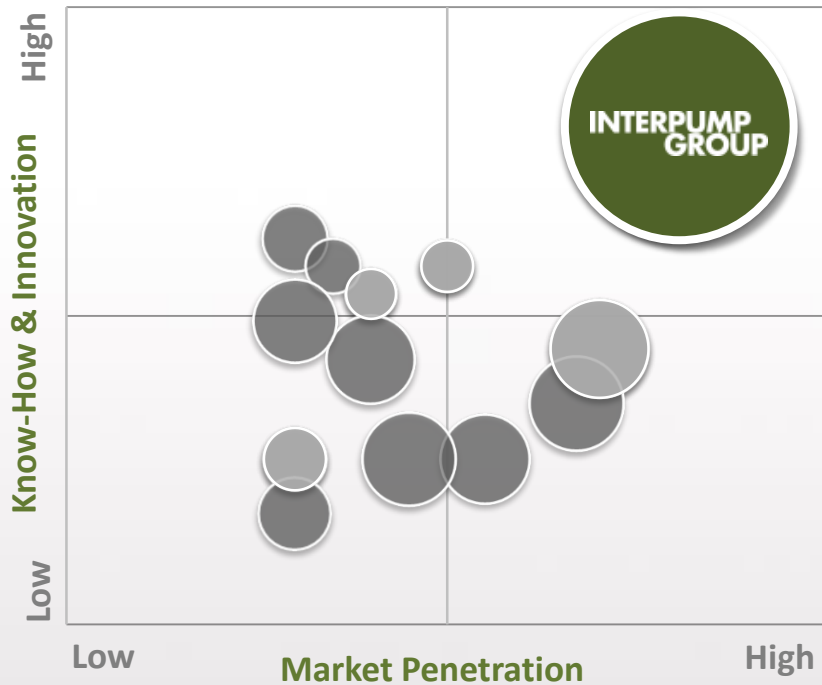
Stainless steel, aluminium, brass, cast iron, copper, and countless other alloys. **Smart, forward-looking buying policy keeps us safe from price volatility.**

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**



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

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

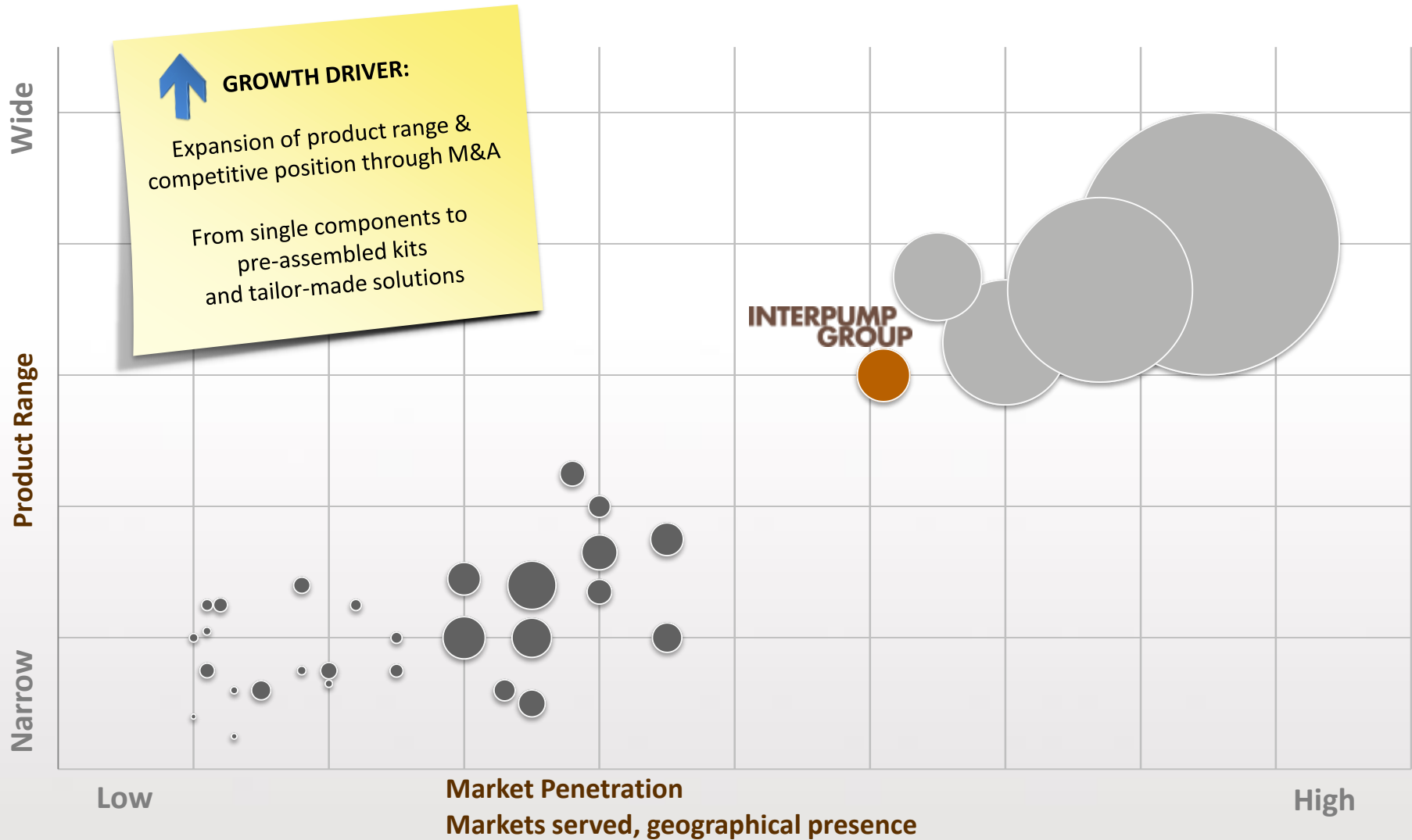


New applications for high-pressure technology appearing continuously in every sector

GROWTH DRIVERS

Expansion of product range & competitive position through M&A

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



September 2017 – Total employees: 1,711

High-pressure Plunger Pumps

Flow Handling Components



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

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

- ▶ Specialized solutions for steel and mining industry

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

- ▶ Homogenizers for food, cosmetics, and pharmaceutical industry

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

- ▶ Mixers and agitators (Magna-Safe® magnetic transmission)

 **INTERPUMP Pratisoli**



▶ U.S. Distributor
General Pump

NLB



Inoxihp (53%)



Hammelmann



Bertoli



HIGH PRESSURE
HOMOGENIZERS
AND PISTON PUMPS

Inoxpa



SOURCE OF SOLUTIONS

Mariotti & Pecini



International presence (plants and subsidiaries)

Italy, USA, China

USA, Poland

Italy

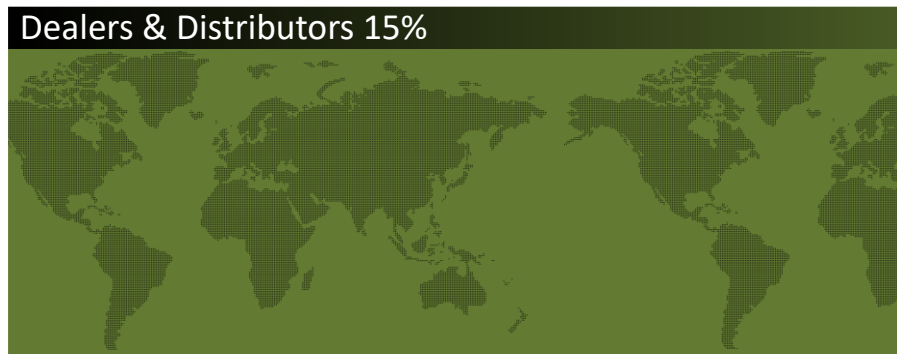
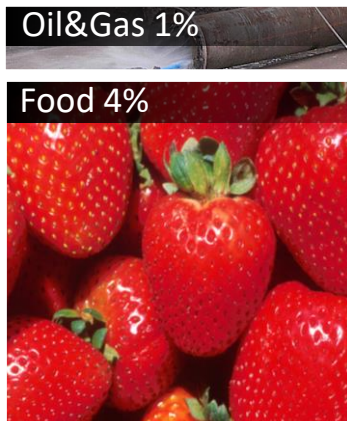
Germany, USA,
Australia, China, Spain

Italy

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

Italy

Total 2016 sales: € 326 million



September 2017 – Total employees: 4,152

▶ 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

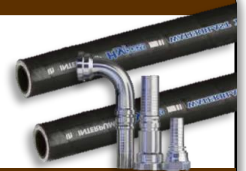
▶ Directional Control Valves



**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%



Construction 4%



Agriculture 7%



Lifting 6%



Drilling / Tunneling 2%



Other Industry 6%



Dealers & Distributors 39%



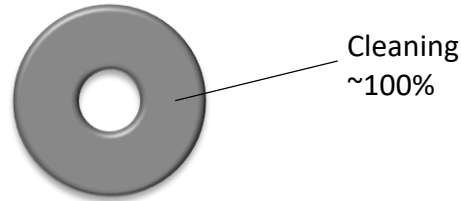
Other 4%

Diversification by application field

Significant reduction of cyclicity and correlation achieved over the past decade

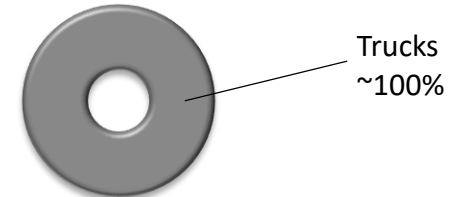
WATER JETTING

2004

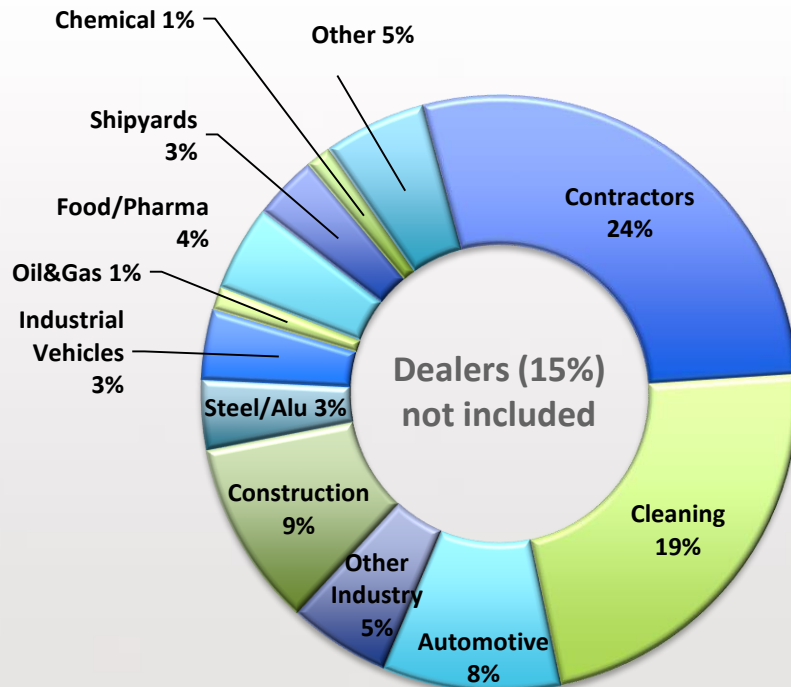


HYDRAULICS

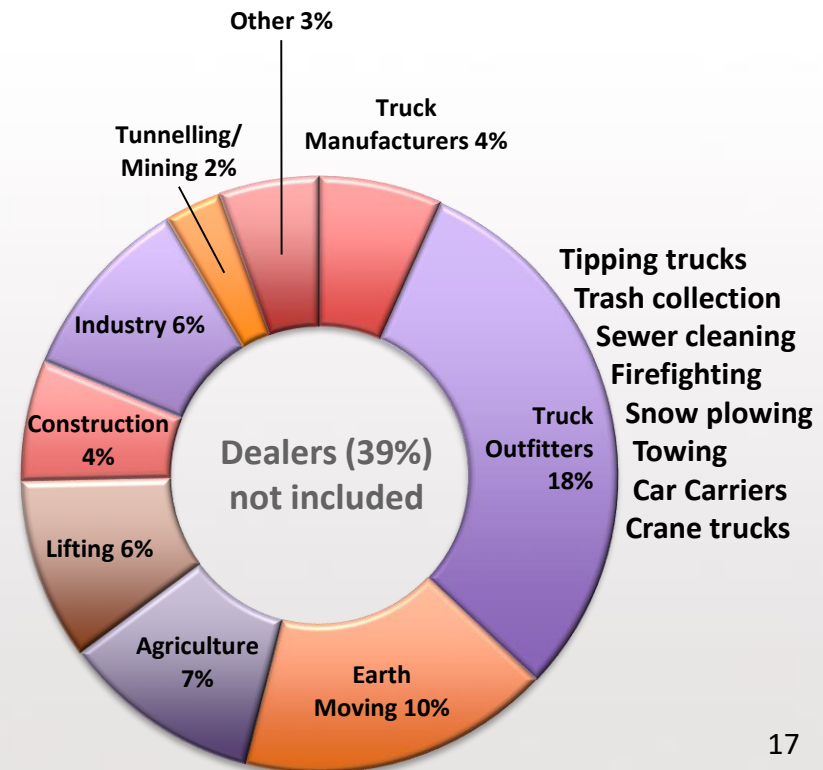
2008



2016

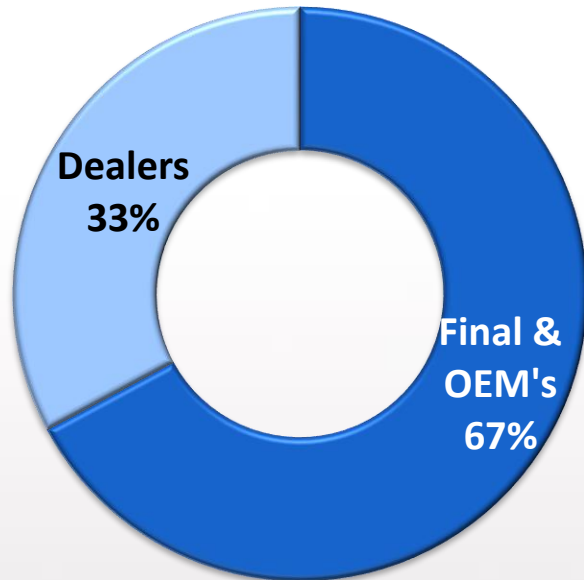


2016



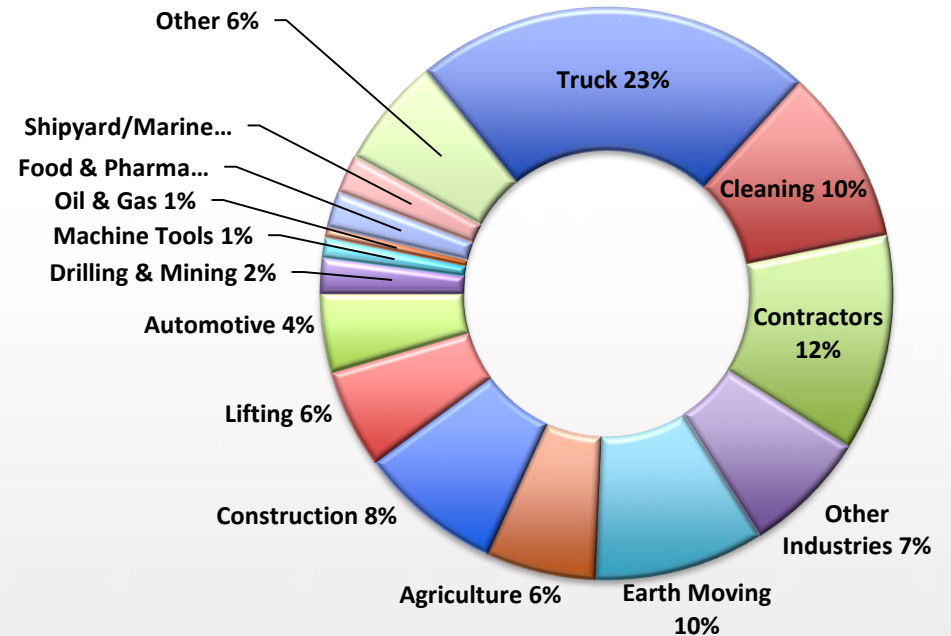
Total sales by channel

2016 Total Turnover: Euro 923 Million



Sales by Application Field

Dealers not included

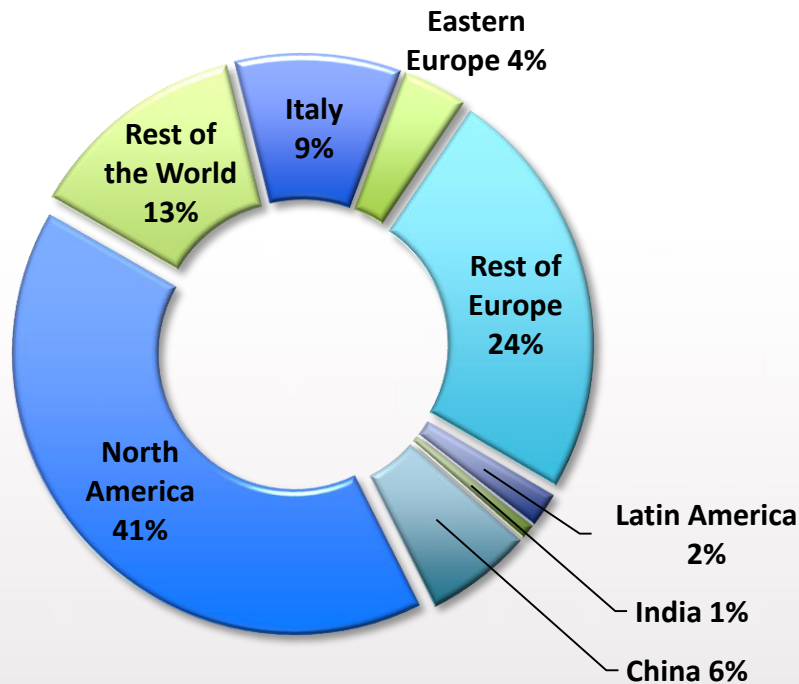


Diversification of our business is the key to our resilience and low overall cyclicality

Geographical breakdown of sales by sector

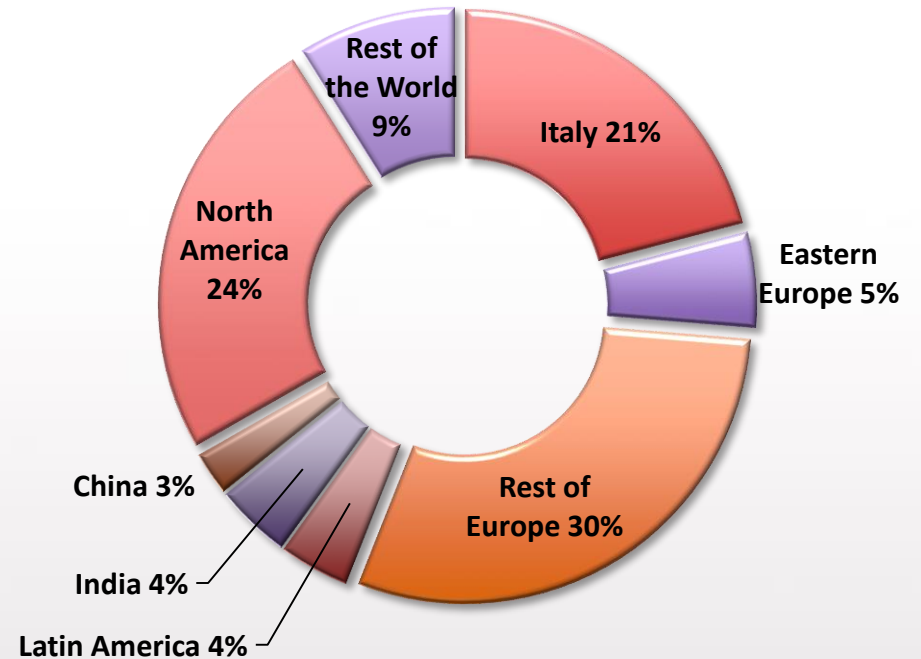
WATER JETTING

Total 2016 Turnover: Euro 326 Million



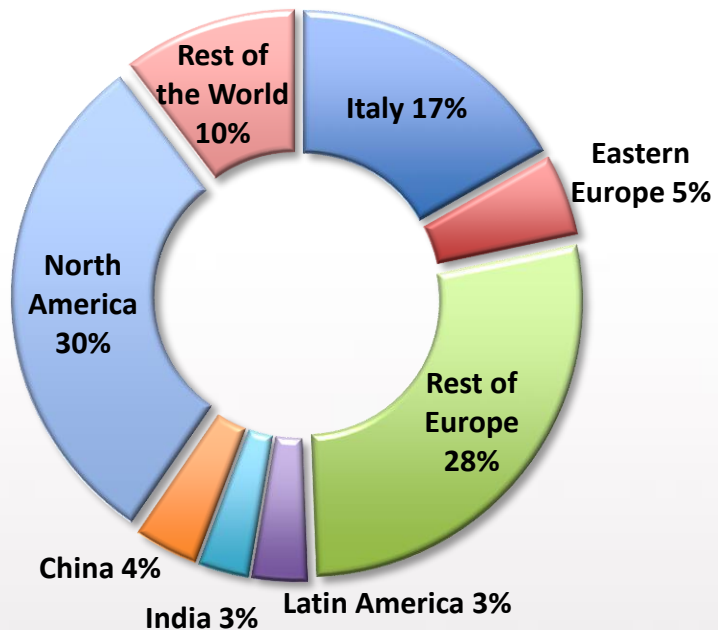
HYDRAULICS

Total 2016 Turnover: Euro 597 Million

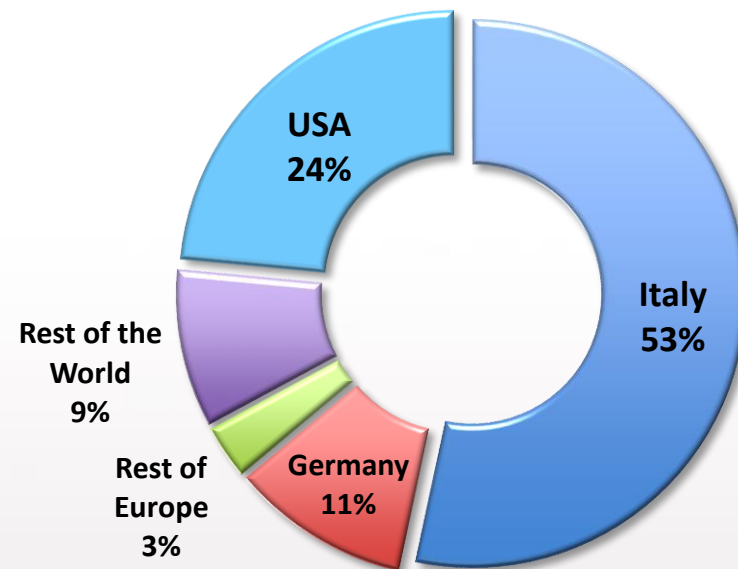


Geographical breakdown of sales and production (2016: € 923 mn)

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

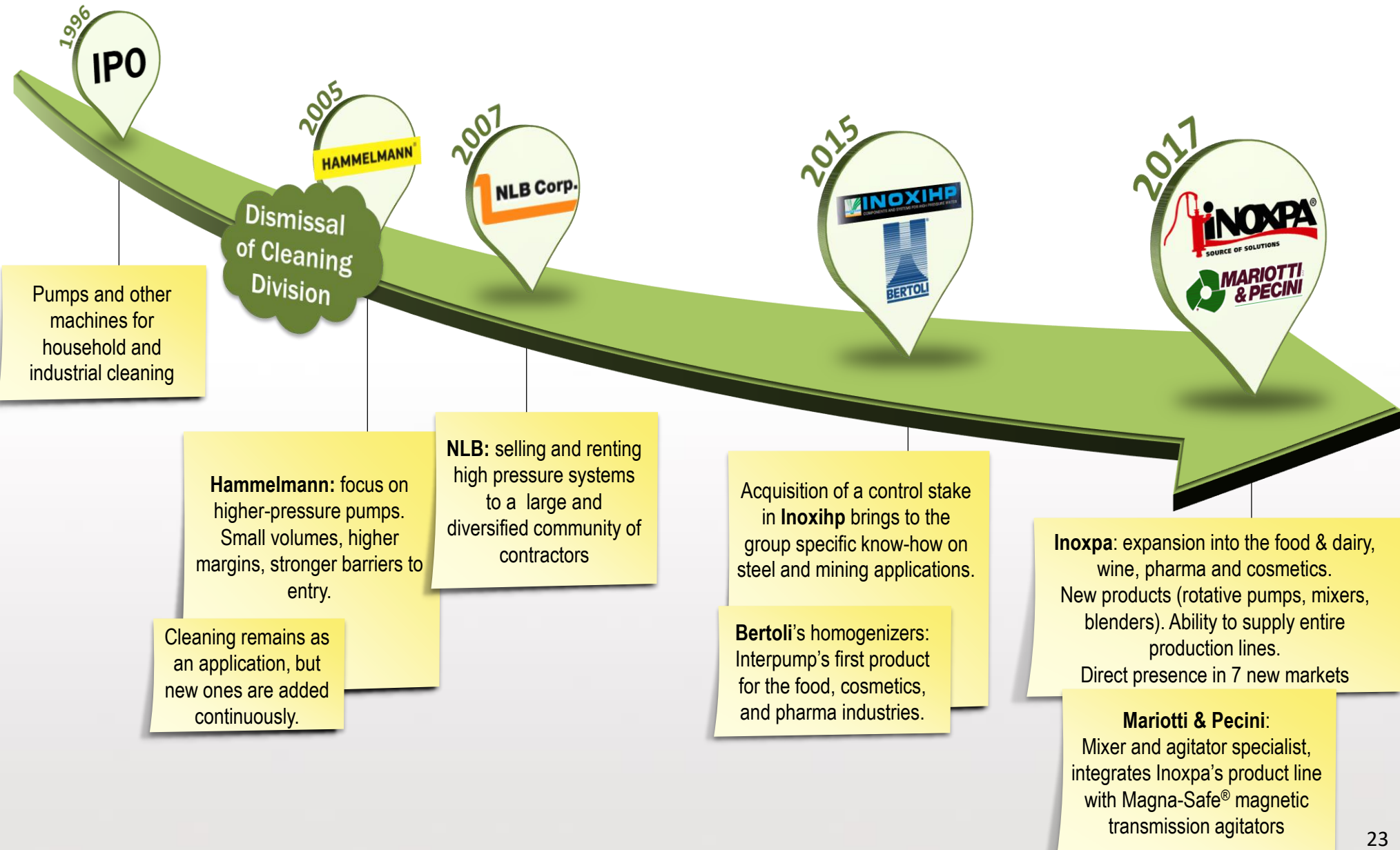


Frequent acquisition of a control stake with agreements for acquiring the minority interest in a few years

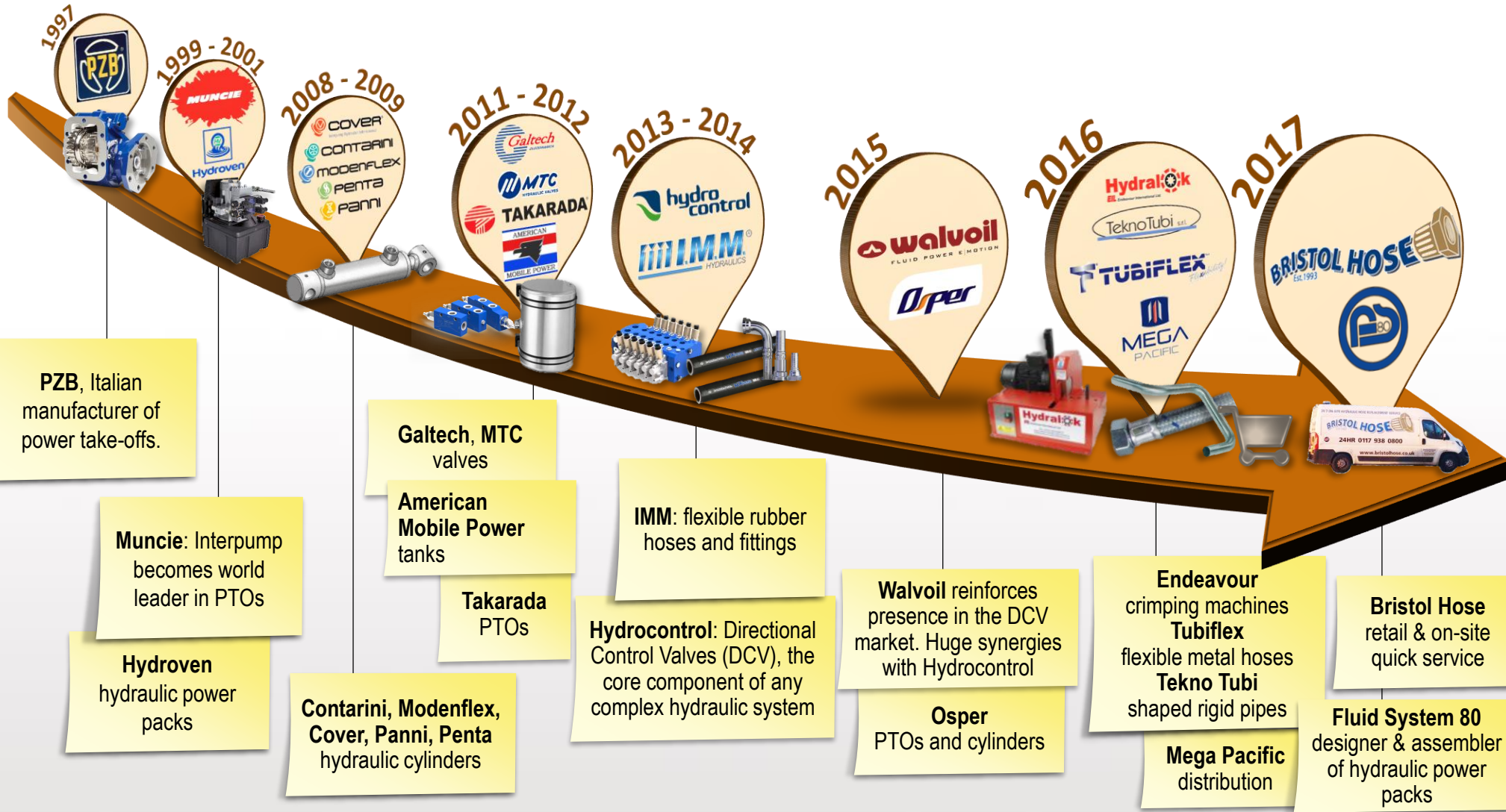


Use of Interpump treasury shares as full or partial payment for some acquisitions

Applications: from cleaning to countless



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



PZB, Italian manufacturer of power take-offs.

Muncie: Interpump becomes world leader in PTOs

Hydroven hydraulic power packs

Contarini, Modenflex, Cover, Panni, Penta hydraulic cylinders

Galtech, MTC valves

American Mobile Power tanks

Takarada PTOs

IMM: flexible rubber hoses and fittings

Hydrocontrol: Directional Control Valves (DCV), the core component of any complex hydraulic system

Walvoil reinforces presence in the DCV market. Huge synergies with Hydrocontrol

Osper PTOs and cylinders

Endeavour crimping machines
Tubiflex flexible metal hoses
Tekno Tubi shaped rigid pipes

Mega Pacific distribution

Bristol Hose retail & on-site quick service

Fluid System 80 designer & assembler of hydraulic power packs



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**

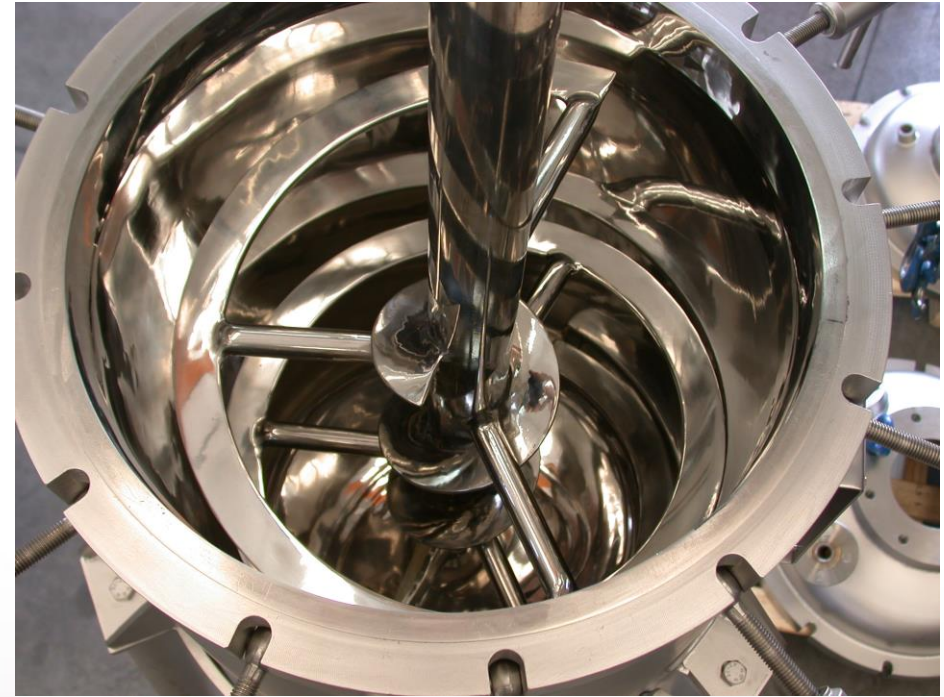




Main Figures	2016 (€ mn)	
SALES	8.1	
EBITDA	2.7	33%
NET CASH	1.1	
EMPLOYEES	14	

Total acquisition price, for 60%

€ 8.9 mn
 € 5.3 million in cash, plus 150,000 IPG shares



The Italian specialist in industrial mixers and agitators

- Over 100,000 units manufactured
- Specialized models for every application
- Patented Magna-Safe® technology for magnetic transmission allows for complete segregation of the fluid being processed

A program aiming at reinforcing direct presence in specific markets

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.

Rationale: increase of the **service component** which can now include on-site delivery and repairs.

The company is now merged into IMM Hydraulics UK.



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)	

Fluid System 80, headquartered in the industrialized North-East of Italy (Friuli – Venezia Giulia) designs and assembles hydraulic power packs and systems for various industries.

Main Figures	2016 (EUR mn)
SALES	5.4
EBITDA	0.4
Total acquisition price, for 100%	
EUR 900,000 (in cash)	

Rationale: **significant commercial synergies** can be achieved with other companies in both Water-Jetting and Hydraulics divisions of the Group, manufacturing most of the components used in the systems.



as of 30 June 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*

Victor Gottardi *General Manager,
DCVs and Valves*

Paolo Mastrostefano *General Manager,
PTOs, Hydraulic Pumps & Cylinders*

Fabio Marasi *General Manager,
Hoses & Fittings*

Luca Mirabelli *Head of Investor Relations*

Chief Financial Officer

Carlo Banci

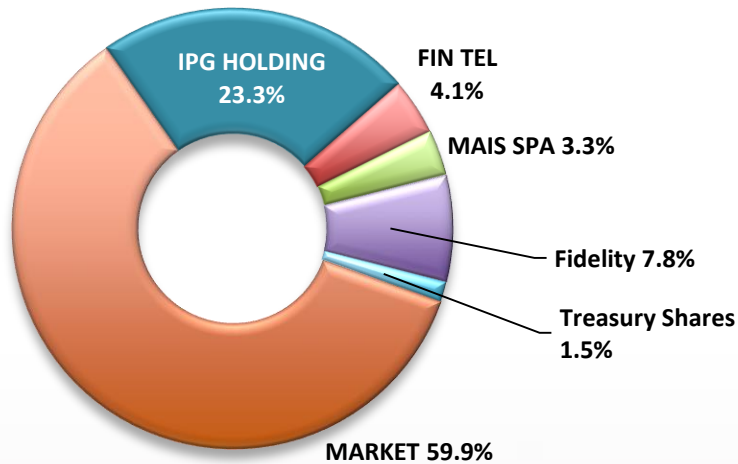
Independent Auditors

EY S.p.A.

Updated 03/11/2017

Shareholder Structure

Source: CONSOB/Company



Analyst Coverage

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

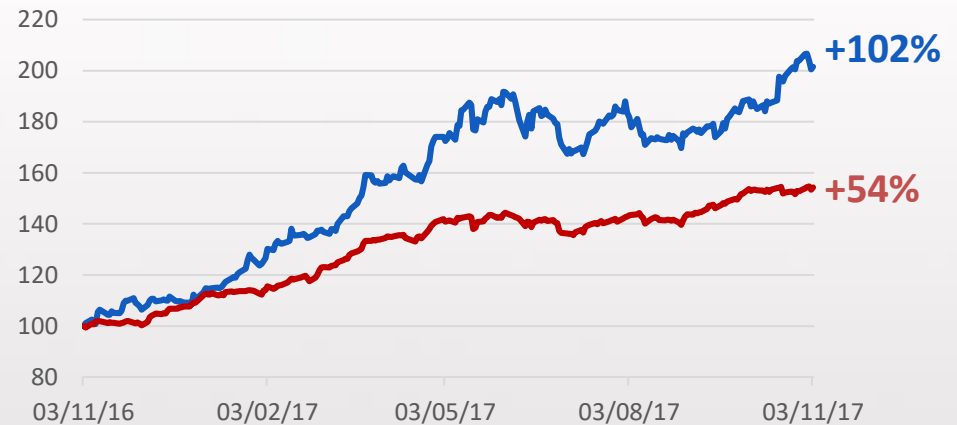
Paola Saglietti
Domenico Ghilotti
Michele Baldelli
Xhois Hatibi
Jacopo Tagliaferri
Matteo Bonizzoni
Alessandro Tortora

Interpump Stock Performance

Total return to shareholders since the IPO: 15.0% per year
(assuming dividend reinvestment and participation to the '09 capital increase)

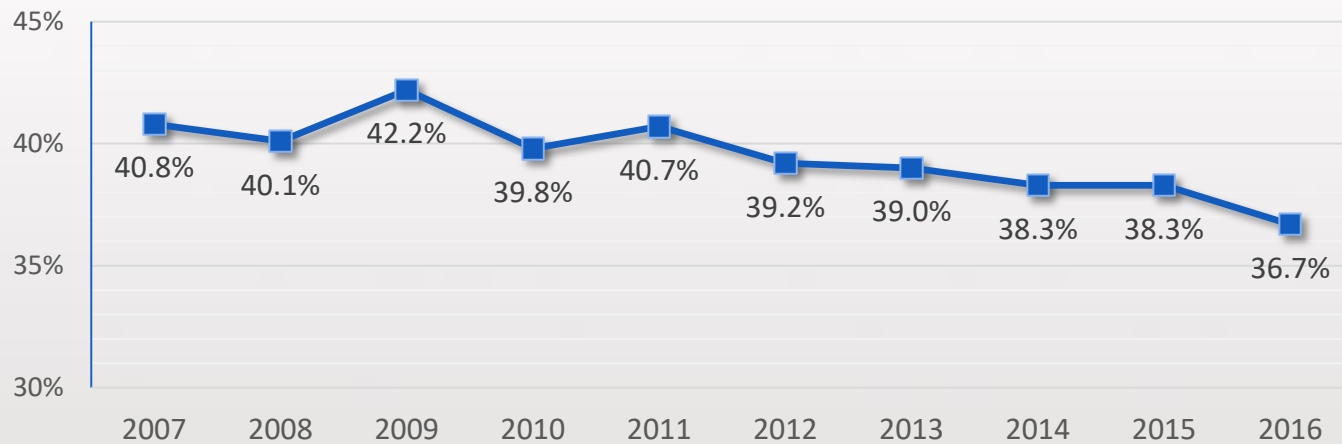
Share price	28.19
Market Capitalization	€ 3.1 bn
Performance 3 M:	+11%
Performance 1 Y:	+102%
Performance 2 Y:	+105%
Average daily Volume (2017)	250K shares /day

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, November 8, 2017
The Manager in charge of preparing
the company's financial reports
Carlo Banci