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Regolamentata

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Oggetto : BOARD OF DIRECTORS APPROVES
2017 CONSOLIDATED RESULTS

Testo del comunicato

Vedi allegato.



INTERPUMP GROUP

PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE 2017 CONSOLIDATED RESULTS

Net sales: €1,086.5 million (€922.8 million in 2016): + 17.7%

**EBITDA: €248.6 million or 22.9% of sales
(€198.5 million in 2016 or 21.5% of sales): +25.3%**

**EBIT: €198.9 million or 18.3% of sales
(€153.5 million in 2016 or 16.6% of sales): +29.6%**

Consolidated net profit: €135.7 million (€94.5 million in 2016): +43.7%
(of which €5.7 mn from reassessment of U.S. deferred taxes)

Free cash flow: €93.6 million (€89.9 million in 2016): +4.0%

**Net debt: €273.5 million (€257.3 million at 31 December 2016)
after acquisitions for €89.1 million**

PROPOSED DIVIDEND OF 0.21 EUROS (0.20 Euros in FY2016)

APPROVAL OF FIRST CONSOLIDATED NON-FINANCIAL STATEMENT

**SHAREHOLDERS' MEETING CALLED FOR 23 APRIL
- AUTHORIZATION TO PURCHASE TREASURY SHARES**

Chairman Fulvio Montipò: "Yet another record year has drawn to a close, the healthy underlying trends of organic growth and margin improvement are still going on"

Sant'Ilario d'Enza (RE), 15 March 2018 – The Board of Directors of Interpump Group S.p.A. has approved the **2017 consolidated results**.

In the Water-Jetting Sector, all companies in the Inoxpa group were consolidated for the first time in 2017 (for eleven months, having been acquired on February 3); similarly, Mariotti & Pecini Srl (acquired June 12) was consolidated for only seven months.

In the Hydraulics sector, Fluid System '80 Srl was consolidated for the first time, for only three months (it was acquired on October 3).



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Net sales

Net sales for 2017 totaled €1,086.5 million, representing an increase of 17.7% over sales of €922.8 million for 2016.

The y/y growth in sales at unchanged perimeter was 8.6% for the whole Group, of which -0.7% due to the currency exchange which negatively impacted the year's sales for 7.1 million euro.

Profitability

EBITDA amounted to €248.6 million (22.9% of sales) compared to €198.5 million in 2016, which represented 21.5% of sales, an increase of 25.3%.

The negative impact of currency exchange on EBITDA was 2.3 million euro for the whole year.

EBIT amounted to €198.9 million (18.3% of sales) compared to €153.5 million in 2016 (16.6% of sales), up 29.6%.

Net profit for FY2017 totaled €135.7 million, 43.7% higher than the 94.5 million registered in 2016. This result incorporates a €5.7 million one-off from the reassessment of deferred tax assets and liabilities in the US, following the approval of the tax reform.

Basic earnings per share amounted to €1.257 in 2017 (€0.884 in 2016).

Capital employed rose from €977.6 million at 31 December 2016 to €1,088.5 million at 31 December 2017. This increase is mainly due to the acquisitions made during the year. **ROCE** amounted to 18.3% (15.7% in 2016). **ROE** reached 17.7% (13.9% in 2016).

Financial situation

Net cash of €172.4 million was generated by operations (€138.0 million in 2016), up 24.9%. Free cash flow reached €93.6 million, representing an increase of 4.0% over 2016 (€89.9 million).

Net debt at 31 December 2017 stood at €273.5 million (€257.3 million at 31 December 2016), following outlays of €89.1 million for acquisitions and €22.3 million in dividends paid. In addition, the Group has binding commitments of €50.3 million to acquire minority interests in subsidiaries (€42.8 million at 31 December 2016).

At 31 December 2017 Interpump Group S.p.A. held 1,561,752 **treasury shares**, representing 1.4344% of share capital, purchased at an average price of €12.4967.

CONSOLIDATED NON-FINANCIAL STATEMENT

Additionally, the Board approved Interpump Group's first Non-Financial Statement, prepared according to the Italian law (D.Lgs 254/2016). Pursuant to Consob regulation #20267 of 18/1/2018, the Disclosure will be published at the same time and in the same ways as the 2017 Financial Statements.



**INTERPUMP
GROUP**

GENERAL SHAREHOLDERS' MEETING AND DIVIDEND PROPOSAL

APPROVAL OF THE 2017 STATUTORY ACCOUNTS

The Board of Directors has resolved to convene an Ordinary General Shareholders' Meeting to approve the 2017 statutory accounts in single call on **23 April 2018** at the offices of Interpump Group in Sant'Ilario d'Enza.

DIVIDEND

The Board of Directors has resolved to submit a proposal to shareholders to approve the distribution of a dividend of 21 euro cents (FY2016: 20 euro cents). If approved, the dividend will be paid on May 23 and the share will go ex-dividend on May 21 (record date May 22).

AUTHORIZATION TO PURCHASE TREASURY SHARES

The Shareholders' Meeting convened in ordinary session will also be called to adopt a resolution regarding authorization for the purchase and disposal of treasury shares. It will be proposed to cancel the existing authorization and grant a new one, valid until October 2019.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES AND REPORT ON REMUNERATION POLICY

Pursuant to article 123-bis of the Consolidated Finance Act (TUF), the Board approved the Report on Corporate Governance and Ownership Structures for the FY2017.

In addition, pursuant to article 123-ter of the Consolidated Finance Act (TUF) the Board also approved the Interpump Group S.p.A. Report on Remuneration. The Shareholders' Meeting convened in ordinary session will be called to adopt a resolution on the first section of that report (remuneration policy and procedures for its adoption).

Both documents will be published in the ways and within the terms set forth by law.

Sant'Ilario d'Enza (RE), 15 March 2018

On behalf of the Board of Directors
The Chairman
Fulvio Montipò

The manager responsible for drafting company accounting documents, Carlo Banci, declares pursuant to the terms of section 2, article 154-bis of the Consolidated Finance 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), 15 March 2018

Manager responsible for drafting
company accounting documents
Carlo Banci

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INTERPUMP GROUP

Consolidated statement of financial position

(€/000)	<u>31/12/2017</u>	<u>31/12/2016</u>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	144,938	197,891
Trade receivables	236,761	200,018
Inventories	291,701	257,545
Tax receivables	15,410	11,140
Derivative financial instruments	-	-
Other current assets	<u>8,302</u>	<u>7,686</u>
Total current assets	<u>697,112</u>	<u>674,280</u>
Non-current assets		
Property, plant and equipment	321,833	300,921
Goodwill	429,442	390,708
Other intangible assets	38,096	30,039
Other financial assets	1,145	790
Tax receivables	1,770	1,740
Deferred tax assets	24,909	24,108
Other non-current assets	<u>2,582</u>	<u>1,654</u>
Total non-current assets	<u>819,777</u>	<u>749,960</u>
Assets available for sale	<u>785</u>	-
Total assets	<u>1,517,674</u>	<u>1,424,240</u>



INTERPUMP GROUP

(€/000)	<u>31/12/2017</u>	<u>31/12/2016</u>
LIABILITIES		
Current liabilities		
Trade payables	142,975	109,004
Payables to banks	8,955	2,396
Interest bearing financial payables (current portion)	166,465	124,784
Derivative financial instruments	-	36
Taxes payable	18,541	18,126
Other current liabilities	54,038	49,772
Provisions for risks and charges	3,610	3,620
Total current liabilities	<u>394,584</u>	<u>307,738</u>
Non-current liabilities		
Interest bearing financial payables	243,060	327,974
Liabilities for employee benefits	20,044	19,311
Deferred tax liabilities	41,504	47,755
Other non-current liabilities	50,397	41,058
Provisions for risks and charges	3,156	2,866
Total non-current liabilities	<u>358,161</u>	<u>438,964</u>
Liabilities available for sale	200	-
Total liabilities	<u>752,945</u>	<u>746,702</u>
 SHAREHOLDERS' EQUITY		
Share capital	55,805	55,431
Legal reserve	11,323	11,323
Share premium reserve	121,228	112,386
Reserve for valuation of hedging derivatives at fair value	-	(24)
Remeasurement reserve for defined benefit plans	(5,722)	(5,022)
Translation reserve	(2,475)	33,497
Other reserves	579,006	466,153
Group shareholders' equity	<u>759,165</u>	<u>673,744</u>
Minority interests	5,564	3,794
 Total shareholders' equity	<u>764,729</u>	<u>677,538</u>
Total shareholders' equity and liabilities	<u>1,517,674</u>	<u>1,424,240</u>



INTERPUMP GROUP

FY 2017 Consolidated Income Statement

(€/000)	<u>2017</u>	<u>2016</u>
Net sales	1,086,547	922,818
Cost of goods sold	(672,548)	(584,816)
Gross industrial margin	413,999	338,002
<i>% of net sales</i>	<i>38.1%</i>	<i>36.6%</i>
Other operating income	16,744	14,372
Distribution expenses	(102,726)	(86,425)
General and administrative expenses	(124,534)	(108,973)
Other operating costs	(4,571)	(3,443)
EBIT	198,912	153,533
<i>% of net sales</i>	<i>18.3%</i>	<i>16.6%</i>
Financial income	14,684	7,862
Financial charges	(21,424)	(12,862)
Equity method contribution	(22)	(40)
Profit for the period before taxes	192,150	148,493
Income taxes	(56,427)	(54,020)
Consolidated profit for the period	135,723	94,473
<i>% of net sales</i>	<i>12.5%</i>	<i>10.2%</i>
Attributable to:		
Shareholders of Parent	134,442	93,850
Minority shareholders of subsidiaries	1,281	623
Consolidated profit for the period	135,723	94,473
EBITDA	248,648	198,502
<i>% of net sales</i>	<i>22.9%</i>	<i>21.5%</i>
Shareholders' equity	764,729	677,538
Net debt	273,542	257,263
Payables for purchase of shareholdings	50,266	42,761
Capital employed	<u>1,088,537</u>	<u>977,562</u>
Non-annualized ROCE	18.3%	15.7%
Non-annualized ROE	17.7%	13.9%
Basic earnings per share	1.257	0.884

EBITDA = EBIT + depreciation + amortization + allocations

ROCE = EBIT / capital employed

ROE = Consolidated profit for the year / consolidated equity

* = Since EBITDA is not an accounting measure either as part of Italian accounting principles or as part of international accounting standards (IAS/IFRS), the calculation of this item may vary. EBITDA is a measure used by the company's management to monitor and assess its operating performance. Management believes that EBITDA is an important parameter for measuring the company's operating performance as it is not affected by the various criteria that may be used to determine taxable income, the amount and characteristics of capital employed and the relative depreciation and amortization policies. The criteria used by the company to determine EBITDA may not be consistent with that used by other companies/groups and the amount obtained may not be comparable with that calculated by them.



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Statement of consolidated comprehensive income for the year

(€/000)	<u>2017</u>	<u>2016</u>
Consolidated profit for the year (A)	135,723	94,473
Other comprehensive income which will subsequently be reclassified to consolidated profit or loss		
<i>Cash flow hedge accounting for derivatives hedging currency risk:</i>		
- Gains (losses) on derivatives for the period	-	(33)
- Less: Adjustment for gains (losses) reclassified to the income statement	33	19
- Less: Adjustment for the recognition of fair value in equity in the previous period	-	-
<i>Total</i>	<u>33</u>	<u>(14)</u>
<i>Gains (losses) on translating the financial statements of foreign companies</i>	(36,311)	10,664
<i>Gains (losses) from companies accounted for using the equity method</i>	(2)	(5)
<i>Applicable taxes</i>	<u>(9)</u>	<u>3</u>
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>(36,289)</u>	<u>10,648</u>
Other comprehensive income which will not subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on the remeasurement of defined benefit plans</i>	(927)	(1,803)
<i>Applicable taxes</i>	<u>219</u>	<u>262</u>
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss (C)	<u>(708)</u>	<u>(1,541)</u>
Consolidated comprehensive income for the year (A)+(B)+(C)	<u>98,726</u>	<u>103,580</u>
Attributable to:		
Shareholders of Parent	97,794	103,115
Minority shareholders of subsidiaries	<u>932</u>	<u>465</u>
Consolidated comprehensive income for the year	<u>98,726</u>	<u>103,580</u>



Consolidated cash flow statement for the year

(€/000)	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Profit before taxes	192,150	148,493
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(3,257)	(2,099)
Losses (gains) on the sale of business units and equity investments	-	(61)
Amortization and depreciation	47,792	44,044
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	1,781	1,733
Losses (profits) from investments	22	40
Net change in risk provisions and allocations to employee benefit provisions	(306)	(1,298)
Expenditures for tangible assets to be leased	(6,508)	(10,784)
Proceeds from the disposal of leased tangible assets	7,966	6,494
Net financial charges (revenues)	6,740	5,000
	<u>246,380</u>	<u>191,562</u>
(Increase) decrease in trade receivables and other current assets	(29,522)	(4,614)
(Increase) decrease in inventories	(32,603)	(5,753)
Increase (decrease) in trade payables and other current liabilities	31,317	(1,815)
Interest paid	(3,331)	(4,450)
Realized exchange differences	(3,370)	(653)
Taxes paid	(67,314)	(48,464)
Net cash from operating activities	<u>141,557</u>	<u>125,813</u>
Cash flows from investing activities		
Payments for the purchase of investments net of cash received and net of treasury shares transferred	(78,329)	(35,786)
Sale of equity investments and business units including cash transferred	-	861
Capital expenditure on property, plant and equipment	(44,533)	(31,954)
Proceeds from the sale of tangible fixed assets	871	566
Proceeds from the sale of available-for-sale assets	2,714	-
Increase in intangible assets	(3,544)	(3,022)
Financial income received	534	496
Other	(531)	149
Net cash (used in) investing activities	<u>(122,818)</u>	<u>(68,690)</u>
Cash flows from financing activities		
Disbursements (repayments) of loans	(52,681)	66,464
Dividends paid	(22,310)	(21,138)
Payments for the purchase of treasury shares	-	(43,308)
Proceeds from the sale of treasury shares to stock option beneficiaries	3,376	9,490
Change in other financial assets	83	(53)
Disbursements (repayments) of shareholder loans	(50)	(7)
Payment of finance lease installments (principal)	(2,207)	(3,992)
Net cash generated by (used in) financing activities	<u>(73,789)</u>	<u>7,456</u>
Net increase (decrease) in cash and cash equivalents	<u>(55,050)</u>	<u>64,579</u>



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(€/000)	<u>2017</u>	<u>2016</u>
Net increase (decrease) in cash and cash equivalents	(55,050)	64,579
Translation differences for cash held by non-EU companies	(4,462)	1,361
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	-	160
Cash and cash equivalents at the beginning of the period	195,495	129,395
Cash and cash equivalents at the end of the period	135,983	195,495

Cash and cash equivalents may be analyzed as follows:

	31/12/2017 €/000	31/12/2016 €/000
Cash and cash equivalents as per the consolidated statement of financial position	144,938	197,891
Bank payables (overdrafts and subject to collection advances)	<u>(8,955)</u>	<u>(2,396)</u>
Cash and cash equivalents as per the consolidated cash flow statement	<u>135,983</u>	<u>195,495</u>

Statement of changes in consolidated shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Reserve for valuation of hedging 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 2016</i>	56,032	11,323	138,955	(13)	(3,501)	22,657	391,704	617,157	5,471	622,628
Recognition in the income statement of the fair value of stock options granted and exercisable	-	-	1,733	-	-	-	-	1,733	-	1,733
Purchase of treasury shares	(1,772)	-	(43,308)	-	-	-	1,772	(43,308)	-	(43,308)
Sale of treasury shares to stock option beneficiaries	937	-	9,490	-	-	-	(937)	9,490	-	9,490
Transfer of treasury shares as payment for equity investments	234	-	5,516	-	-	-	(234)	5,516	-	5,516
Purchase of residual interests in subsidiaries	-	-	-	-	-	43	52	95	(1,040)	(945)
Dividends distributed	-	-	-	-	-	-	(20,054)	(20,054)	(1,102)	(21,156)
Comprehensive income for 2016	-	-	-	(11)	(1,521)	10,797	93,850	103,115	465	103,580
<i>At 31 December 2016</i>	<i>55,431</i>	<i>11,323</i>	<i>112,386</i>	<i>(24)</i>	<i>(5,022)</i>	<i>33,497</i>	<i>466,153</i>	<i>673,744</i>	<i>3,794</i>	<i>677,538</i>
Recognition in the income statement of the fair value of stock options granted and exercisable	-	-	1,781	-	-	-	-	1,781	-	1,781
Sale of treasury shares to stock option beneficiaries	296	-	3,376	-	-	-	(296)	3,376	-	3,376
Transfer of treasury shares as payment for equity investments	78	-	3,685	-	-	-	(78)	3,685	-	3,685
Purchase of Inoxpa Group	-	-	-	-	-	-	-	-	2,291	2,291
Purchase of residual interests in subsidiaries	-	-	-	-	-	-	141	141	(527)	(386)
Dividends distributed	-	-	-	-	-	-	(21,356)	(21,356)	(926)	(22,282)
Comprehensive income for 2017	-	-	-	24	(700)	(35,972)	134,442	97,794	932	98,726
<i>At 31 December 2017</i>	<i>55,805</i>	<i>11,323</i>	<i>121,228</i>	<i>-</i>	<i>(5,722)</i>	<i>(2,475)</i>	<i>579,006</i>	<i>759,165</i>	<i>5,564</i>	<i>764,729</i>

Fine Comunicato n.0159-9

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