



March 2018

Interpump Group Full-Year 2017 Results

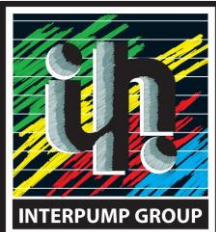




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Full-year Consolidated Results

€ mn

	FY 2016	FY 2017	y/y
TOTAL SALES	922.8	1,086.5	+17.7%
EBITDA	198.5	248.6	+25.3%
EBITDA / SALES	21.5%	22.9%	
NET INCOME (as reported)	94.5	135.6	+43.5%
<i>Tax rate</i>	<i>36.4%</i>	<i>29.5%</i>	
NET INCOME (adjusted*)		129.7	+37.3%
<i>Tax rate</i>		<i>32.5%</i>	
<i>* 2017 Statutory net income includes €5.7mn one-off positive effect of reassessment of U.S. deferred tax assets & liabilities</i>			
NET DEBT	257.3	273.5	+16.3 mn
COMMITMENTS FOR PURCHASE OF SUBSIDIARIES	42.8	50.3	+7.5 mn
TREASURY SHARES (as at 31/12)	2,281,752	1,561,752	

€ mn

	Q4 2017	y/y	FY 2017	y/y
Organic growth in sales		+11.4%		+9.3%
FX contribution		-3.7%		-0.7%
Increase in perimeter		+8.9%		+9.1%
TOTAL REPORTED SALES	267.8	+16.6%	1,086.5	+17.7%
EBITDA	56.8	+21.0%	248.6	+25.3%
EBITDA / SALES	21.2%		22.9%	
NET INCOME (as reported)	36.4	+74.1%	135.6	+43.5%
<i>Tax rate</i>	17.2%		29.5%	
NET INCOME (adjusted*)	30.5	+45.9%	129.7	+37.3%
<i>Tax rate</i>	30.6%		32.5%	

* Statutory net income includes €5.7mn one-off positive effect of reassessment of deferred tax assets & liabilities in the US

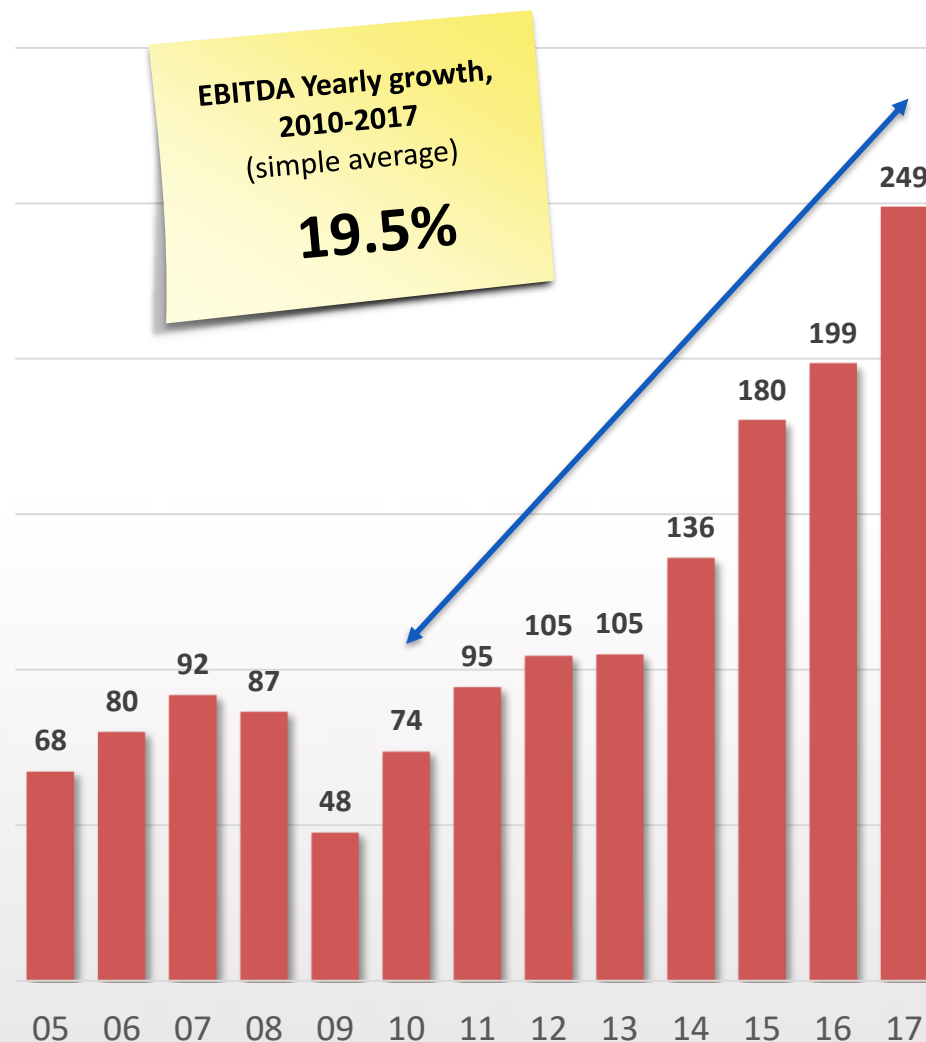
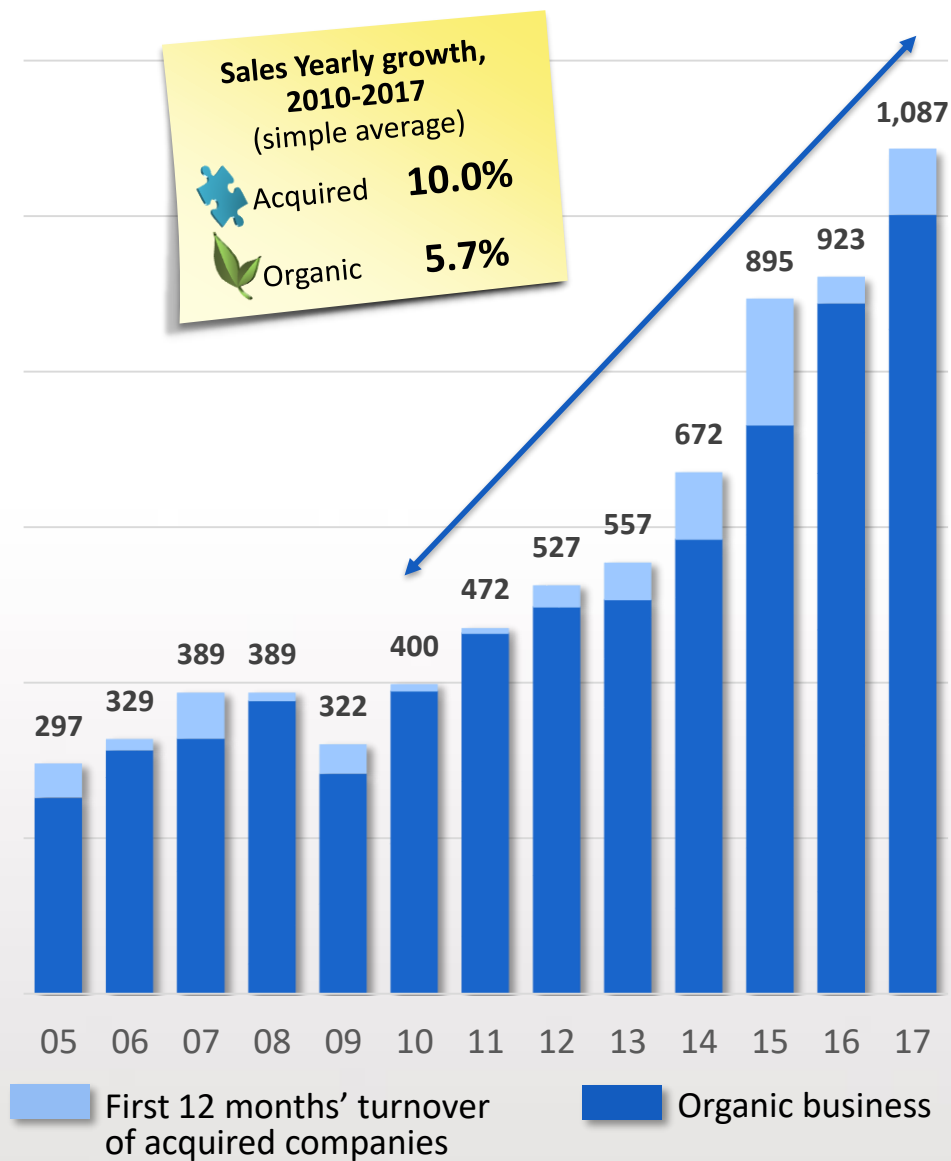
€ mn

WATER-JETTING	Q4 2017	y/y	FY 2017	y/y
Organic growth in sales		+3.3%		+3.0%
FX contribution		-4.3%		-1.0%
Increase in perimeter		+23.9%		+19.4%
TOTAL REPORTED SALES	97.4	+22.9%	395.6	+21.4%
EBITDA	24.6	+27.2%	104.1	+25.3%
EBITDA / SALES	25.2%		26.2%	
HYDRAULICS	Q4 2017	y/y	FY 2017	y/y
Organic growth in sales		+15.7%		+12.8%
FX contribution		-3.5%		-0.6%
Increase in perimeter		+1.0%		+3.6%
TOTAL REPORTED SALES	170.4	+13.2%	690.9	+15.8%
EBITDA	32.1	+16.6%	144.6	+25.2%
EBITDA / SALES	18.8%		20.9%	



Sales & EBITDA Trend

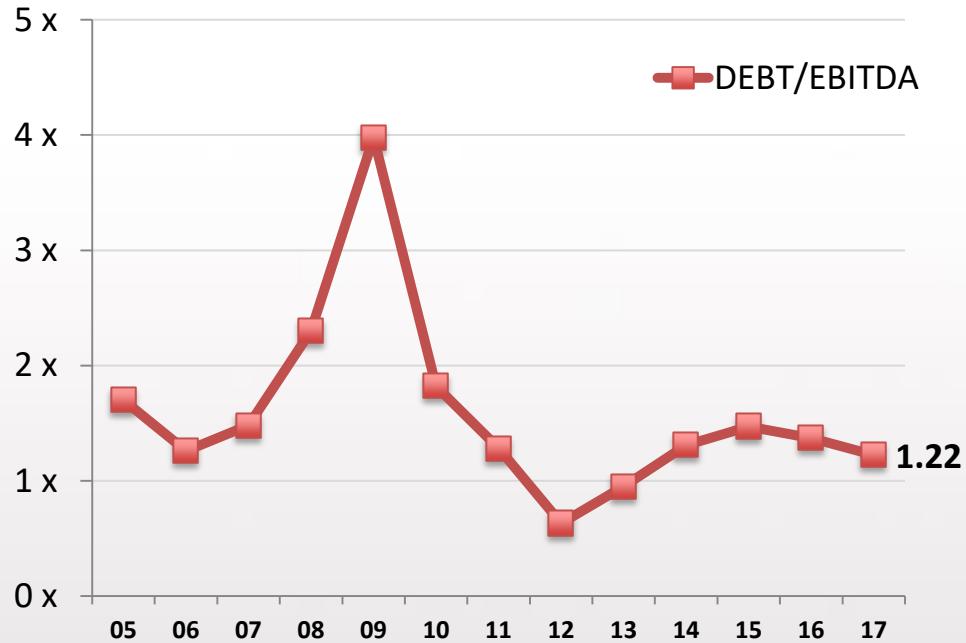
€ mn - net of Cleaning (dismissed in 2005) and Electric Motors (2011)



Prudent debt policy and satisfactory return on capital employed

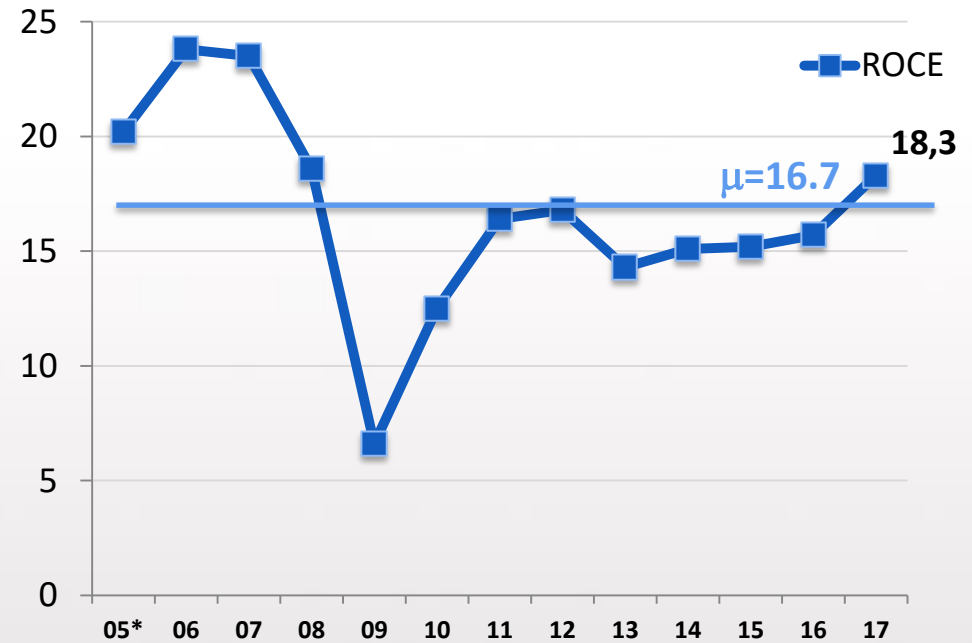
Net Debt / EBITDA (12 M)

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



INTERPUMP GROUP

- ▶ Public company (~75% free float)
- ▶ Listed at the Milan Stock Exchange since 1996 (ticker: IP.MI)
- ▶ Among the largest market caps in the STAR segment
- ▶ Stock is eligible for PIRs (government-sponsored saving investment plans for Italian households with significant tax advantages)

WATER-JETTING

- ▶ World leader in the niche market of high-pressure plunger piston pumps for water and other fluids. Premium-price, reputable brands
- ▶ Growing range of applications:
 - Industrial Cleaning
 - Chemical, Food, Pharma, Cosmetic processing
 - Automotive, Marine, Oil&Gas, Tunneling, Mining, Steel Industry
- ▶ Not only piston pumps: entered the wider universe of fluid handling with the acquisition of Inoxpa and Mariotti&Pecini (2017)

HYDRAULICS

- ▶ Global supplier of hydraulic parts and complete systems
- ▶ Co-design and direct sales to all major OEMs, plus an extensive network of distributors
- ▶ Main applications are Trucks, Industrial Vehicles, Earth-moving, Agriculture, Construction, Lifting, Machine tools, Tunneling



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 mostly relative to the translation of financial statements. **No currency hedging** is necessary.

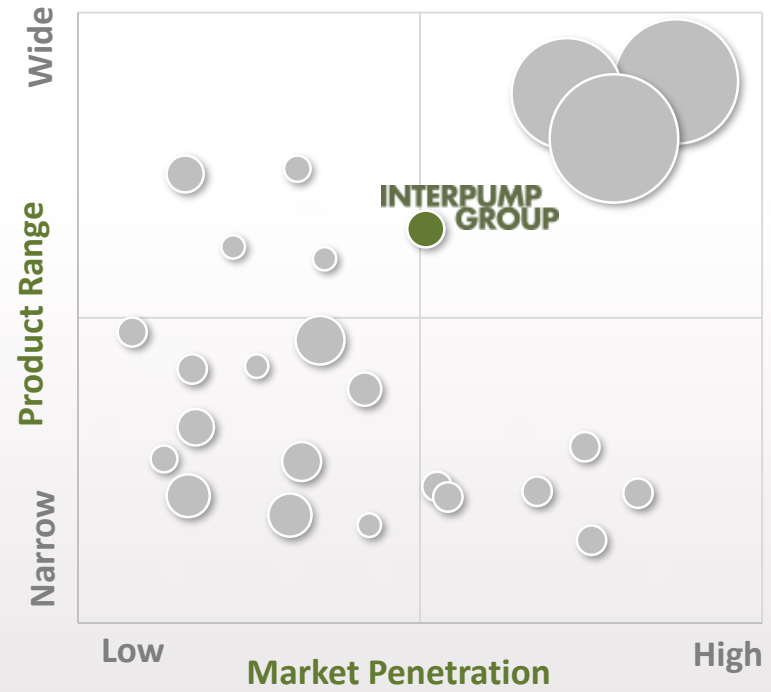
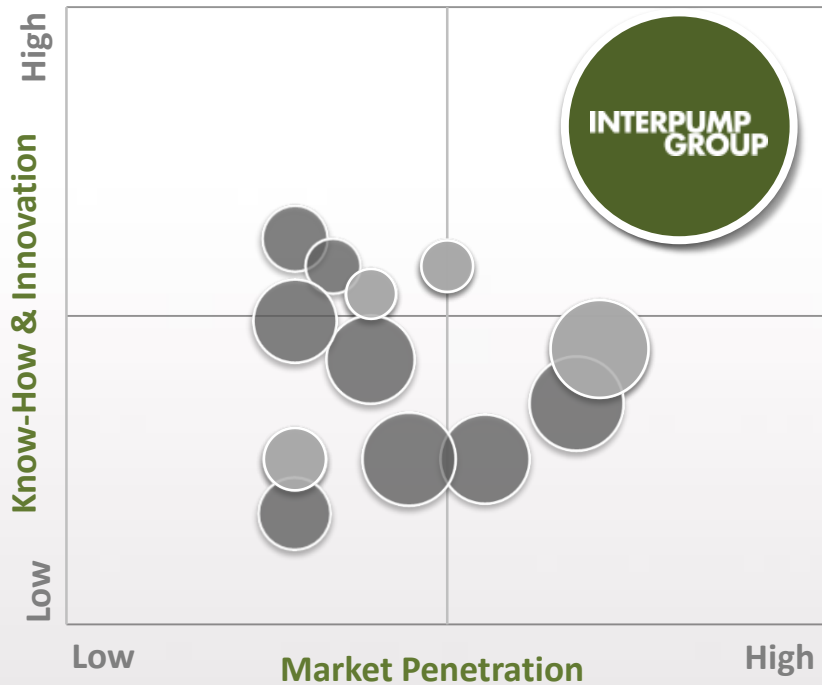
Stainless steel, aluminum, brass, cast iron, copper, and countless other alloys. **Smart, forward-looking buying policy** keeps us safe from price volatility.

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: <1bn/yr)

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

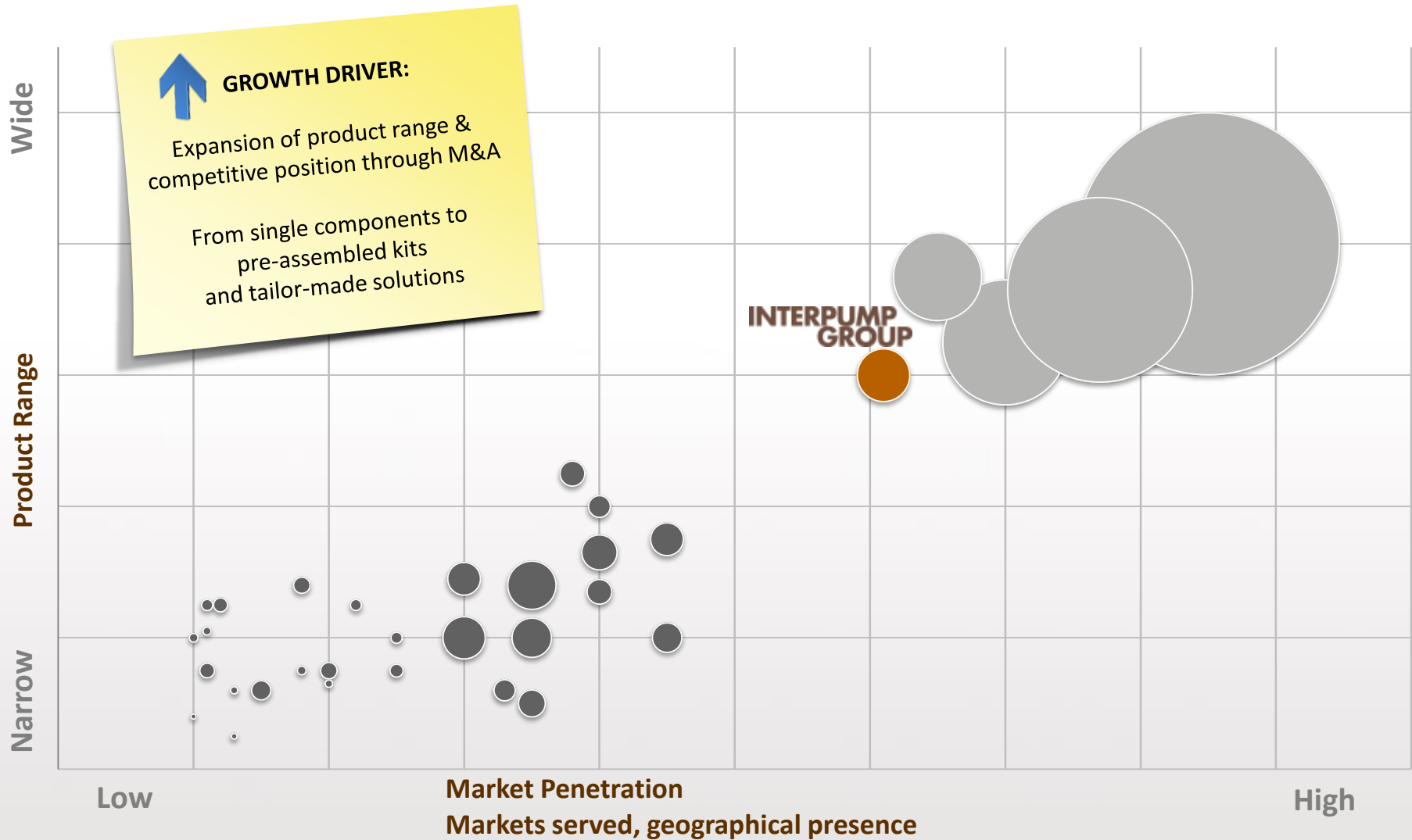


New applications for high-pressure technology appearing continuously in every sector

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



December 2017 – Total employees: 1,717

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
Pratissoli**

NLB

Inoxihp (53%)

Hammelmann

Bertoli

Inoxpa

Mariotti & Pecini



▶ U.S. Distributor

General Pump



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

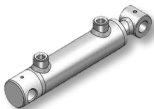
December 2017 – Total employees: 4,195 (GS-Hydro not included)

▶ 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 & piping systems

GS-Hydro
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, Sweden, Denmark,
Austria, Poland, Spain, Netherlands, USA,
China, Korea, Singapore, Brazil



FOOD, COSMETICS, PHARMACEUTICAL

Pumps, valves, processing and cleaning systems
Agitators (including magnetic transmission)
High-pressure homogenizers
Water-jet food cutting, slicing, meat separation



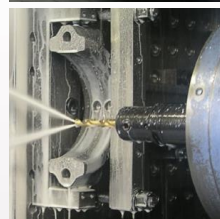
CONSTRUCTION

Hydro-demolition
Surface preparation
Renewal of armored concrete infrastructures



TRUCKS

Lightweight high pressure pumps for sewer trucks
Other utility vehicles



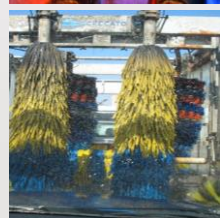
INDUSTRY

Machine drilling & cutting
Pulp & paper
Intertwining of fibers in non-woven textiles production
Overspray removal from painting booth grids



STEEL / ALUMINUM

Descaling of steel bars
Cleaning of tanks & vessels used in aluminum processing



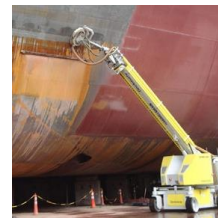
CLEANING

Mid- to high-power professional & industrial cleaning
Car washing systems
Airport tarmacs
Fish-farming nets



AUTOMOTIVE

Deburring of common-rail engine heads
Cutting of bodywork and other materials
Cleanup of welded seals



MARINE / SHIPYARDS

Water-blasting paint removal
Hull cleaning
Fuel pumps for methanol-converted marine engines



WATER PROCESSING

Misting
Reverse-osmosis desalination



CONTRACTORS

Service companies who buy or rent general-purpose high-pressure systems and offer various industrial cleaning and maintenance services to third parties across different industries (typical of the U.S. market)



OIL & GAS

Injection of anti-icing and pressure-restoring fluids in wells
Underwater high-pressure pumping
Emergency valve operation (seal-less pumps)
Decommissioning of platforms at end of life

~1/3 of revenues in Water-Jetting come from
after-sales (maintenance, parts & service)



EARTH-MOVING

Excavators and mini-excavators
Backhoe loaders
Skid-steer loaders



TRUCK OUTFITTERS

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



TRUCK MANUFACTURERS

Factory-fitted PTOs



AGRICULTURE

Farm tractors
Front loaders
Harvesting machines



CONSTRUCTION

Concrete mixing
Telescopic handlers
Conditioning/refrigeration/ventilation



INDUSTRIAL

Machine tools
Hydraulic power packs



LIFTING

Mobile and fixed cranes
Elevators
Forklifts
Theme park attractions

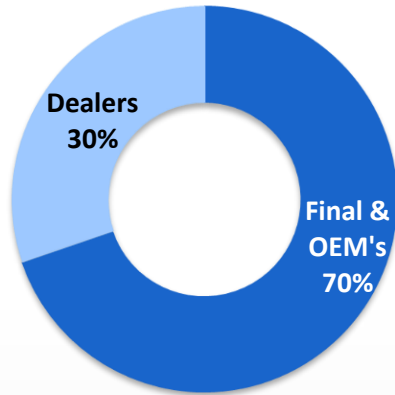


DRILLING / TUNNELING

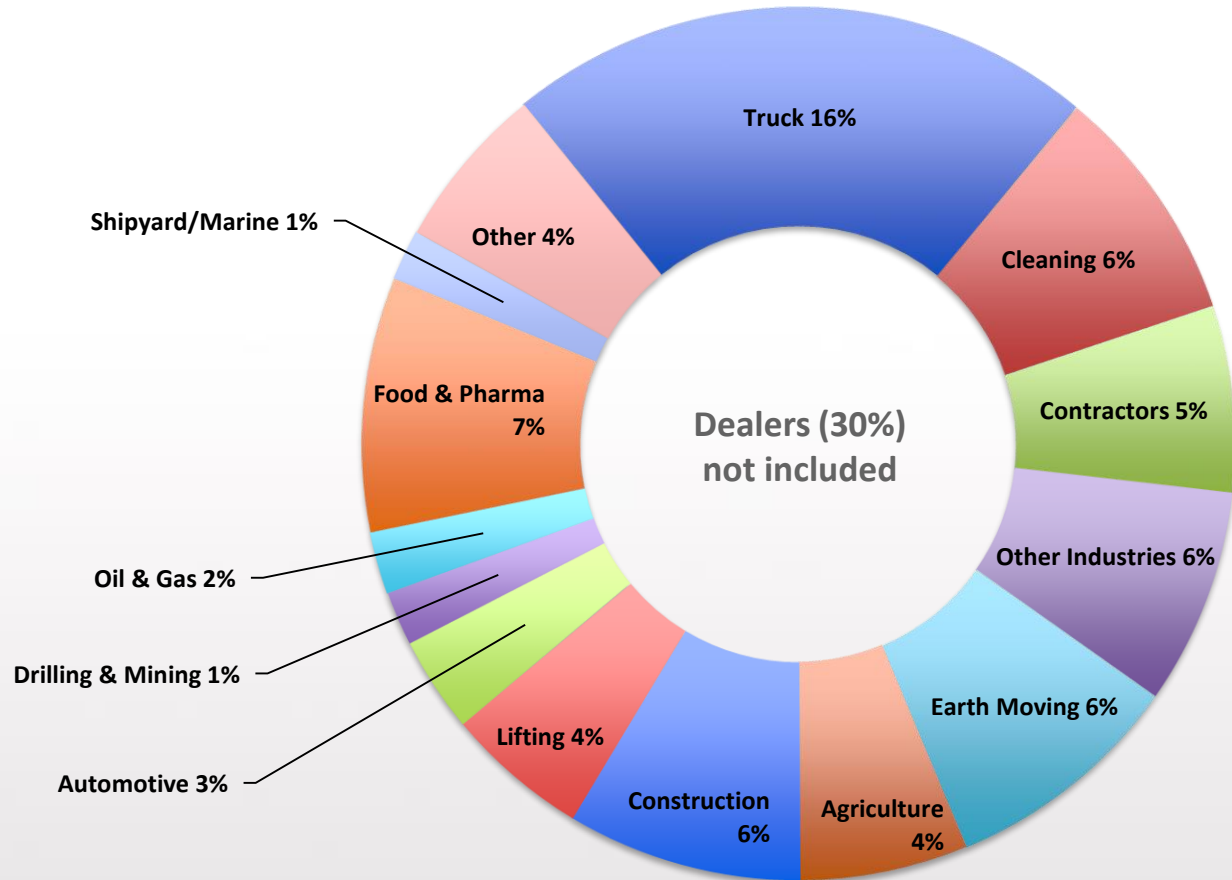
Tunnel-boring machines

Total sales by channel

2017 Total Turnover: Euro 1,087 million



Sales by Application Field



Diversification is a never-ending journey

Significant reduction of cyclicity and correlation achieved over the past decade

WATER JETTING

HYDRAULICS

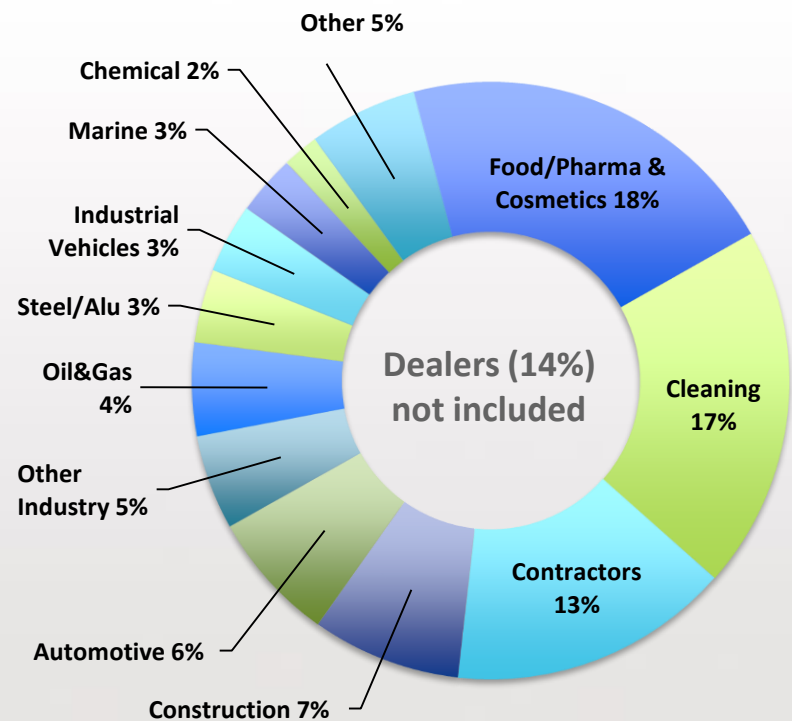


2004 Cleaning

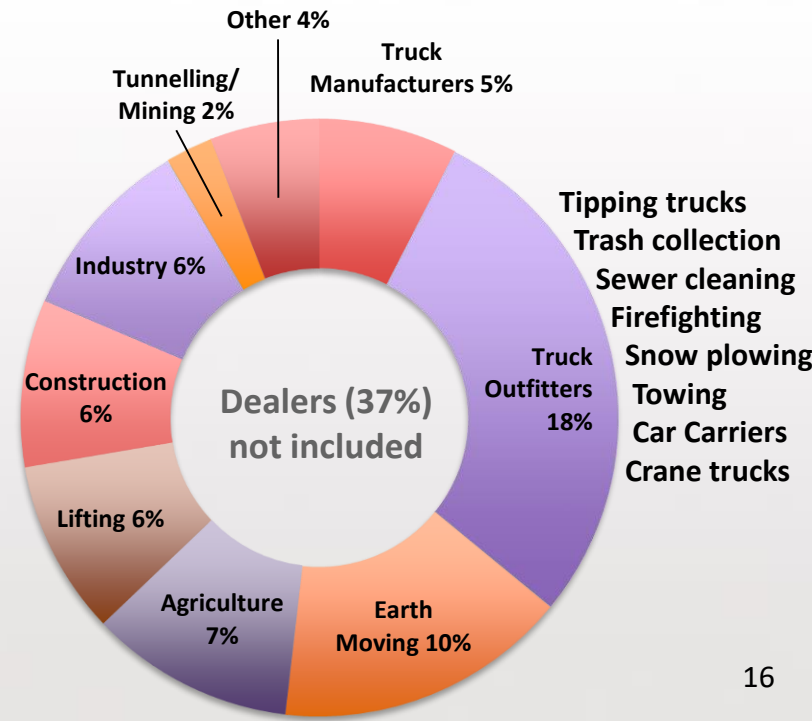


2008 Trucks

- ✓ Diversification into many application sectors with different cycles
- ✓ Ongoing expansion into sectors with little or no cyclicity
- ✓ No single sector is critical for Interpump
- ✓ In most sectors, Interpump is not structurally correlated to industry trends



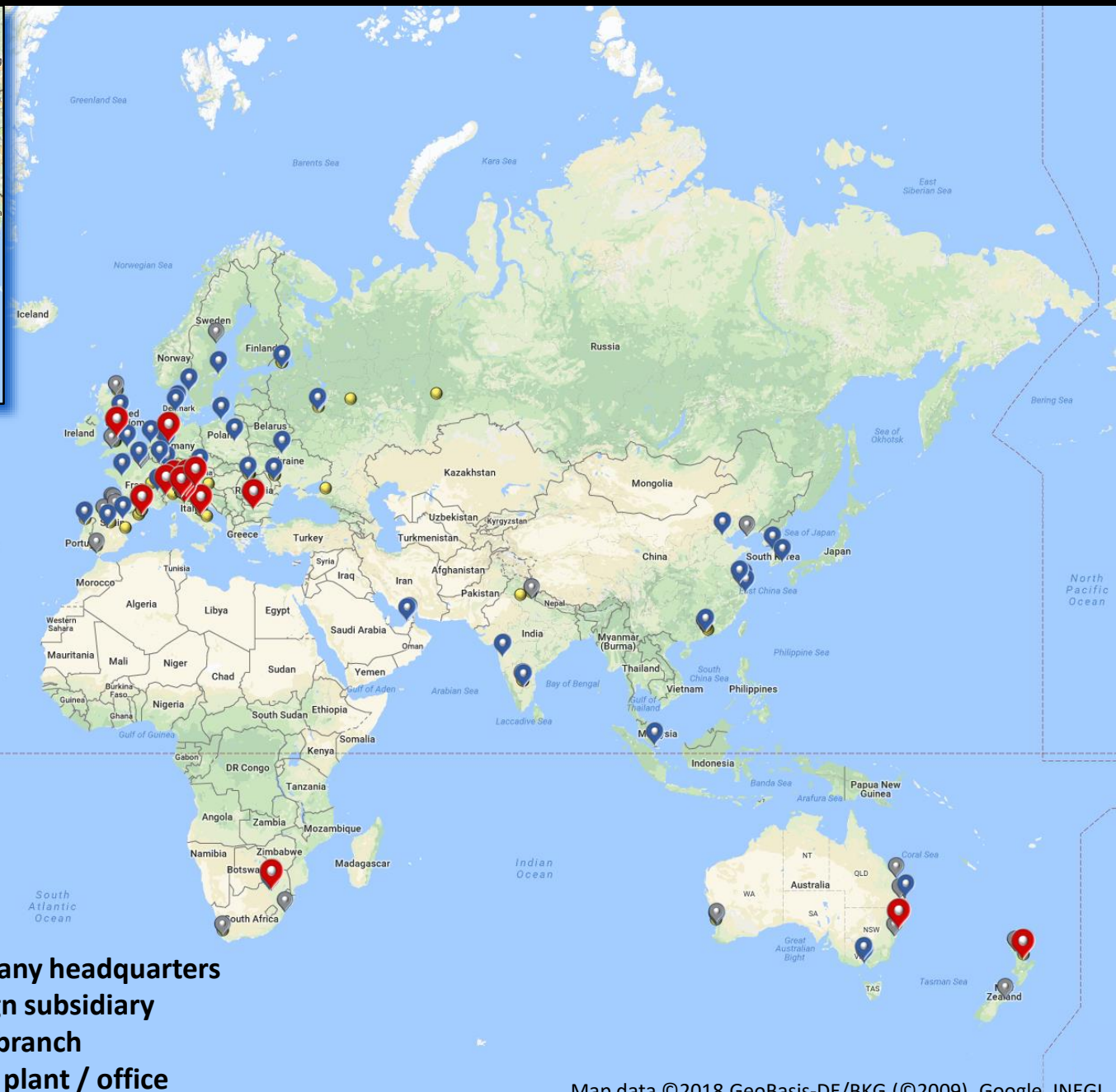
2017





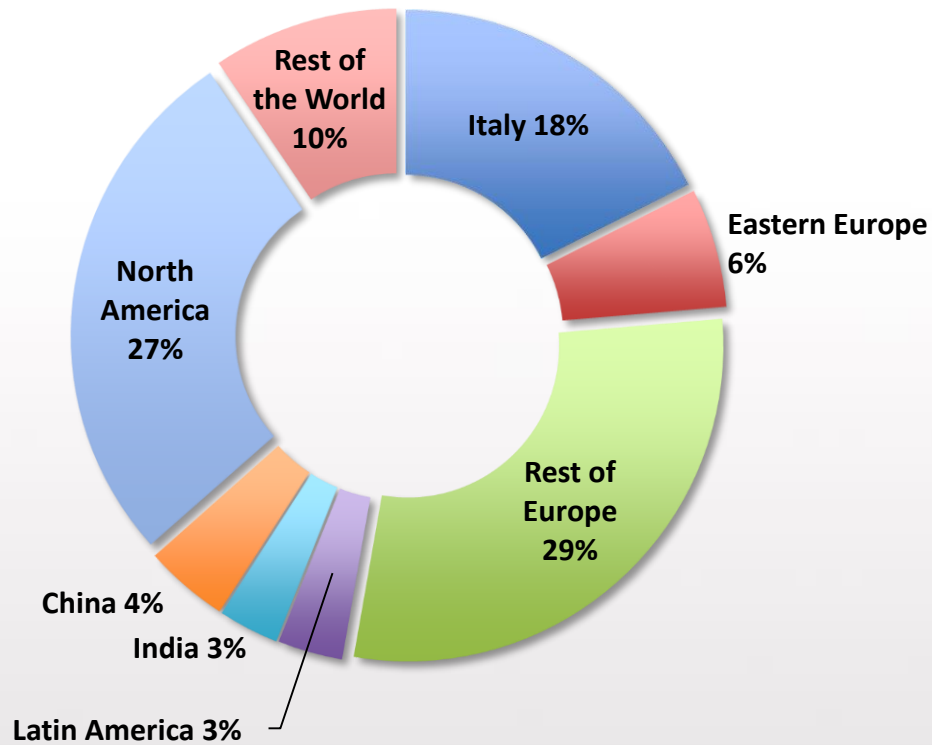
International Profile: Interpump in the World

NORTHERN ITALY

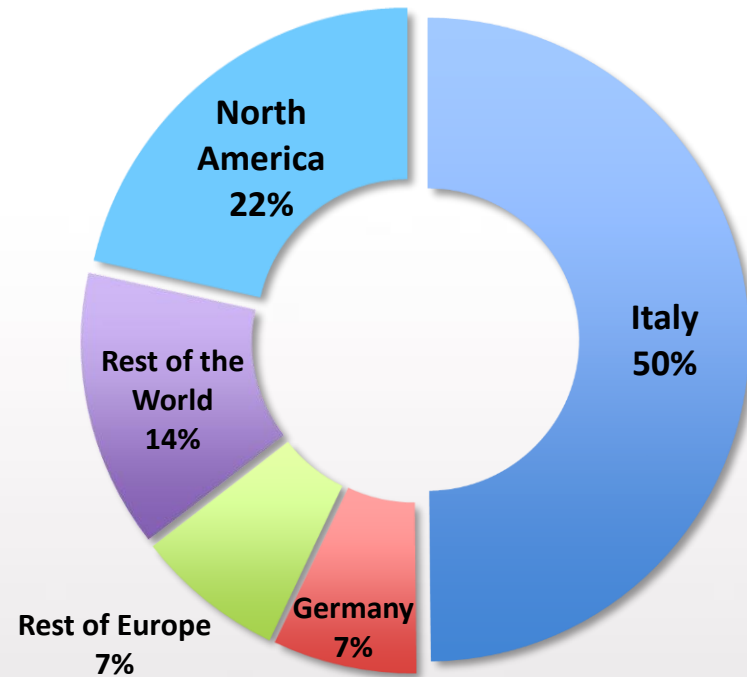


Geographical breakdown of sales and costs (2017)

Sales



Total Costs



Focus on emerging markets: a well-balanced presence

CHINA



INDIA



SOUTH KOREA



BRAZIL



Presence through Walvoil, Interpump Hydraulics, GS-Hydro, Inoxpa, Hammelmann

A very lively market for Water-Jetting

Hydraulics: Ready to support the next-generation motorization

Presence through Interpump Hydraulics, Walvoil, Inoxpa

Leader in hydraulics: 3 Production Units to serve important OEM customers (JCB, Tata, Ashok Leyland).

Production of Inoxpa food processing components in Pune

Presence through Walvoil and GS-Hydro

Fast-growing market for hydraulics with many large local OEMs

GS-Hydro branch serving shipyards in the Busan region

Presence through Interpump Hydraulics, Hammelmann, GS-Hydro

2016-2017 sales pattern suggests signs of recovery

Merger of former Walvoil and Hydrocontrol branches with capacity enlargement completed in Q4 2017



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

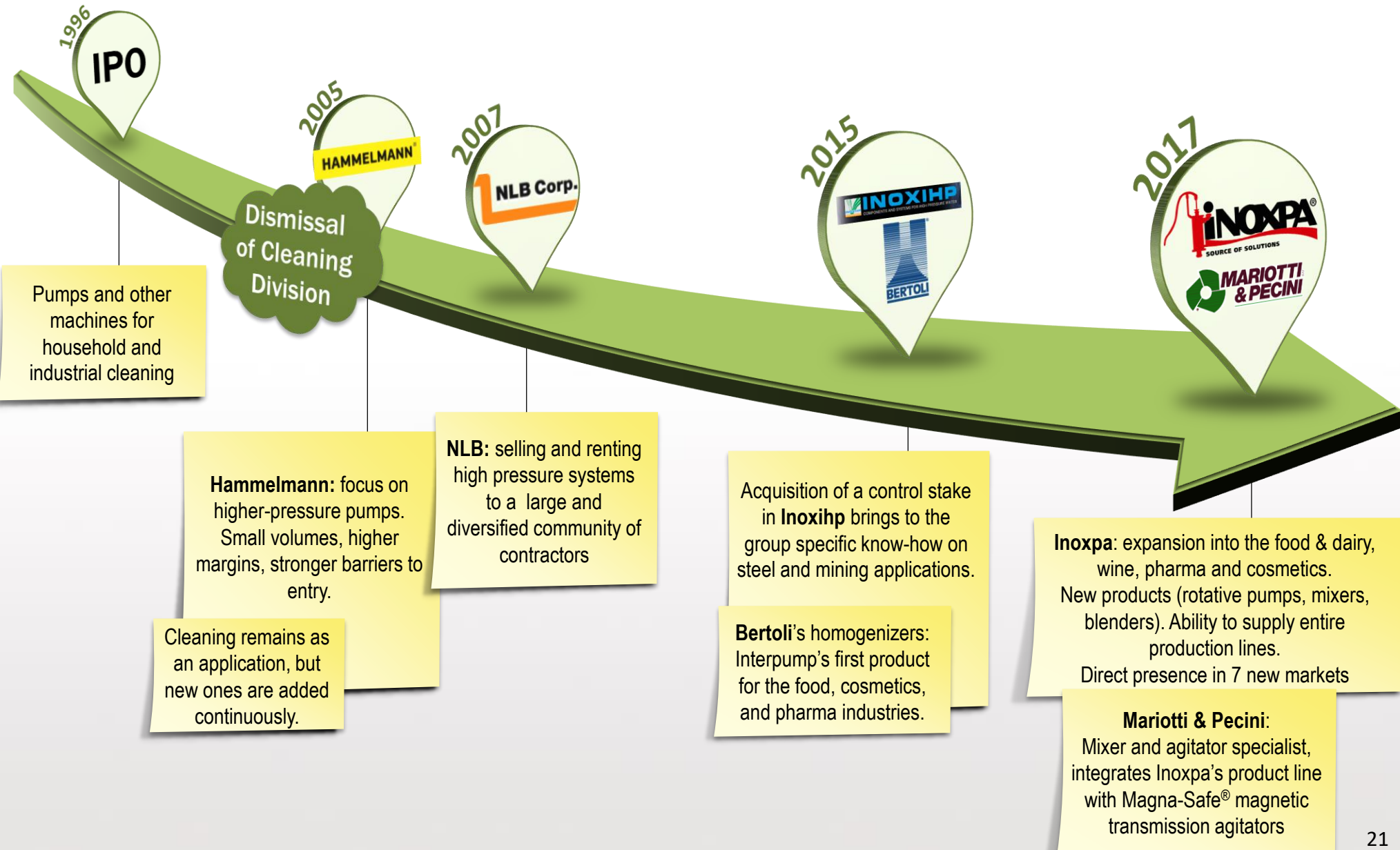


Frequent acquisition of a control stake with agreements for acquiring the minority interest in a few years

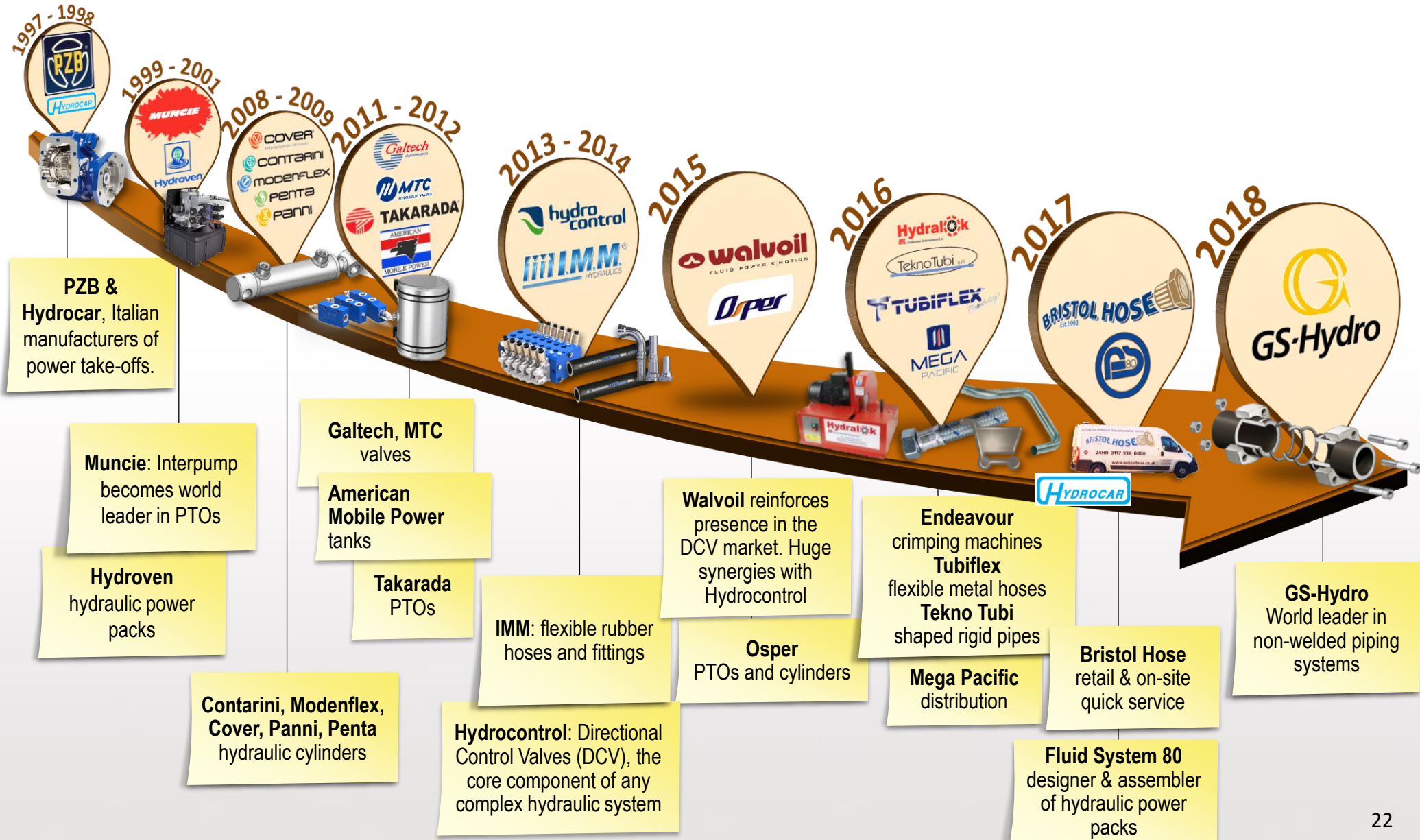


Use of Interpump treasury shares as full or partial payment for some acquisitions

Applications: from cleaning to countless



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





- a world leader in design and execution of piping systems in the industrial, marine, and offshore sectors
- revolutionized the piping industry with the invention of “non-welded” pipe assembly technology (cleaner and faster execution, easier maintenance and repairs)



Estimates for 2017 (€ mn)

SALES	60
EBITDA	4
NET CASH	3
EMPLOYEES	475

Total acquisition price: € 9 mn



- Acquisition in early 2018 of 13 international subsidiaries plus the manufacturing unit of the (bankrupt) Finnish head company
- Intellectual property and certification (where applicable) included in acquisition
- Ensuring continuity and growth of the business according to sound industrial criteria

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.

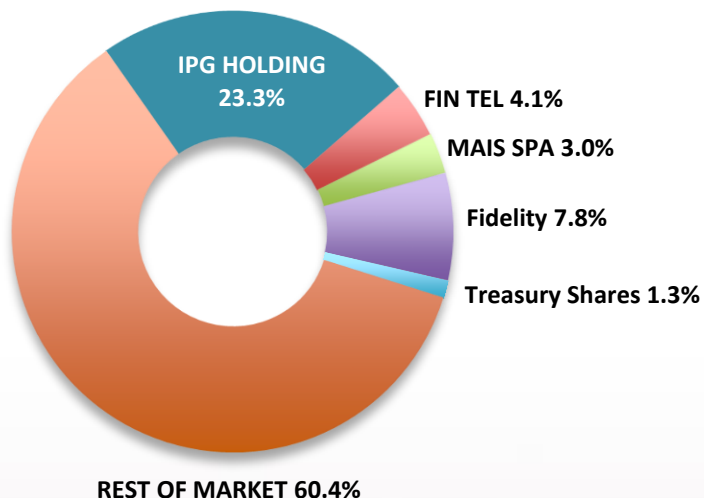


Shareholders, Stock Performance, Analyst Coverage

Updated 13/03/2018

Shareholder Structure

Source: CONSOB/Company



Analyst Coverage

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

Paola Saglietti
 Domenico Ghilotti
 Michele Baldelli
 Xhois Hatibi
 Carlo Maritano
 Bruno Permutti
 Matteo Bonizzoni
 Alessandro Tortora

Interpump Stock Performance

Total return to shareholders since the IPO: 14.8% per year (assuming dividend reinvestment and participation to the '09 capital increase)

Share price	28.78
Market Capitalization	€ 3.1 bn
Performance 3 M:	+6%
Performance 1 Y:	+44%
Performance 2 Y:	+124%
Average daily Volume (30 days)	235K shares /day

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



Synthesis of results

Euro/million	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	1086.6
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	248.6
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%	22.9%
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	198.9
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%	18.3%
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	135.7
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%	13.1%	10.2%	12.5%
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	93.6
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	304.3
(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	764.7
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	0.40

Continuing operations only: Dismissed sectors are not included in the year of dismissal (2005 for Cleaning; 2011 for Electric Motors)

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

Free Cash Flow (12 Months)

(euro/million)	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cash Flow from Operations	25.2	54.6	60.8	65.6	65.3	95.8	120.2	138.0	172.4
Change in Trade Working Capital	44.4	10.1	(21.8)	(12.3)	(1.7)	(23.7)	(6.6)	(12.2)	(30.8)
Capex	(9.2)	(8.7)	(11.8)	(15.8)	(29.8)	(34.1)	(28.9)	(36.5)	(47.8)
Other	2.7	1.0	3.7	3.6	0.5	0.3	0.5	0.7	(0.3)
Free Cash Flow	63.1	57.0	30.9	38.6	34.3	38.3	85.2	89.9	93.6

Purchases as a % of sales (yearly figures)



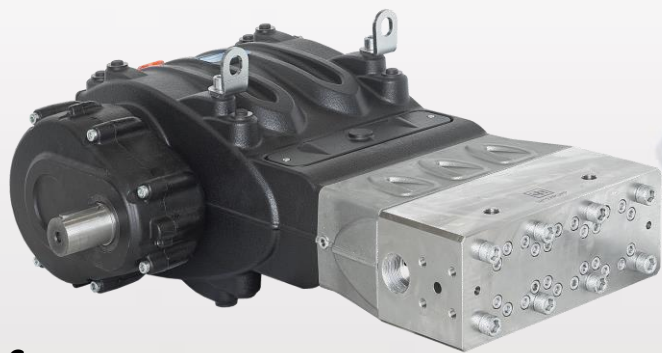
- ✓ Procurement costs are well under control and do not reflect increases in raw material prices
- ✓ Long-term decrease of purchases on sales reflects increases in efficiency and acquisition of less material-intensive businesses



The Manager in charge of preparing the company's financial reports 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, March 15, 2018

Carlo Banci



Cover page:

Pratissoli SM series plunger piston pump, featuring tungsten carbide pistons and stainless steel fluid end. It has a power of 100HP, weighs approximately 260kg. Used in paint removal, de-rusting, cleaning of heat exchangers and light hydro-demolition.