



Q2 19

Second Quarter 2019 Consolidated Results Interpump Group S.p.A.





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€ mn

	H1 18	H1 19	y/y
Organic growth in sales			+5.3%
FX contribution			+1.7%
Increase in perimeter			+2.3%
TOTAL REPORTED SALES	643.4	703.2	+9.3%
EBITDA <i>net of IFRS16 effect, for comparison only</i>	146.8	162.2 154.6	n.s. +5.3%
EBITDA / SALES <i>net of IFRS16 effect, for comparison only</i>	22.8%	23.1% 22.0%	
EBIT	121.7	128.3	+5.4%
EBIT / SALES	18.9%	18.2%	
NET INCOME (as reported) <i>Tax rate</i>	94.3 27.5%	92.2 27.2%	-2.2%
NET INCOME (adjusted*) <i>Tax rate</i>	82.6 30.2%		+11.6%
<i>* H118 reported net income included a €11.6 million one-off from recognition of the GS-Hydro badwill</i>			
NET DEBT <i>net of IFRS16 effect, for comparison only</i>	296.0	391.0 323.1	n.s. +27.1 mn
COMMITMENTS FOR PURCHASE OF SUBSIDIARIES	44.1	40.2	- 3.9 mn
TREASURY SHARES (as at 30/06)	2,401,296	3,903,489	

	Q2 18	Q219	y/y
Organic growth in sales			+4.1%
FX contribution			+1.5%
Increase in perimeter			+3.0%
TOTAL REPORTED SALES	331.1	359.6	+8.6%
EBITDA	77.2	83.5	<i>n.s.</i>
<i>net of IFRS16 effect, for comparison only</i>		79.6	+3.1%
EBITDA / SALES	23.3%	23.2%	
<i>net of IFRS16 effect, for comparison only</i>		22.1%	
EBIT	64.4	65.9	+2.3%
EBIT / SALES	19.4%	18.3%	
NET INCOME (as reported)	42.7	46.9	+9.5%
<i>Tax rate</i>	31.3%	27.2%	
NET INCOME (adjusted*)	43.8		+7.2%
<i>Tax rate</i>	30.8%		

* Q218 reported net income included a €1.1 million negative adjustment of the GS-Hydro badwill

€ mn

WATER-JETTING	Q2 19	y/y	H1 19	y/y
Organic growth in sales		+2.7%		+1.3%
FX contribution		+2.2%		+2.3%
Increase in perimeter		+2.6%		+2.6%
TOTAL REPORTED SALES	118.1	+7.5%	228.8	+6.2%
EBITDA	32.0	n.s.	60.7	n.s.
<i>net of IFRS16 effect, for comparison only</i>	30.8	-0.2%	58.4	unchanged
EBITDA / SALES	27.0%		26.4%	
<i>net of IFRS16 effect, for comparison only</i>	25.9%		25.4%	
HYDRAULICS	Q2 19	y/y	H1 19	y/y
Organic growth in sales		+4.8%		+7.3%
FX contribution		+1.2%		+1.4%
Increase in perimeter		+3.1%		+2.2%
TOTAL REPORTED SALES	241.5	+9.1%	474.4	+10.9%
EBITDA	51.5	n.s.	101.4	n.s.
<i>net of IFRS16 effect, for comparison only</i>	48.8	+5.4%	96.2	+8.8%
EBITDA / SALES	21.3%		21.4%	
<i>net of IFRS16 effect, for comparison only</i>	20.2%		20.3%	



€ mn

	FY 17	FY18	y/y
Organic growth in sales			+13.7%
FX contribution			-2.6%
Increase in perimeter			+6.6%
TOTAL REPORTED SALES	1,086.5	1,279.2	+17.7%
EBITDA	248.6	288.5	+16.0%
EBITDA / SALES	22.9%	22.6%	
EBIT	198.9	236.5	+18.9%
EBIT / SALES	18.3%	18.5%	
NET INCOME (as reported)	135.7	173.9	+28.1%
<i>Tax rate</i>	29.4%	27.5%	
NET INCOME (adjusted*)	130.0	162.5	+25.0%
<i>Tax rate</i>	32,3%	28.9%	
* FY17 reported net income included a €5.7 million positive effect of reassessment of deferred tax assets & liabilities in the US. FY18 reported net income includes a €11.4 million positive effect of recognition of GS-Hydro badwill			
NET DEBT	273.5	287.3	+13.8 mn
COMMITMENTS FOR PURCHASE OF SUBSIDIARIES	46.8	44.5	- 2.3 mn
TREASURY SHARES (as at 31/12)	1,561,752	3,413,489	



Sales & EBITDA Trend

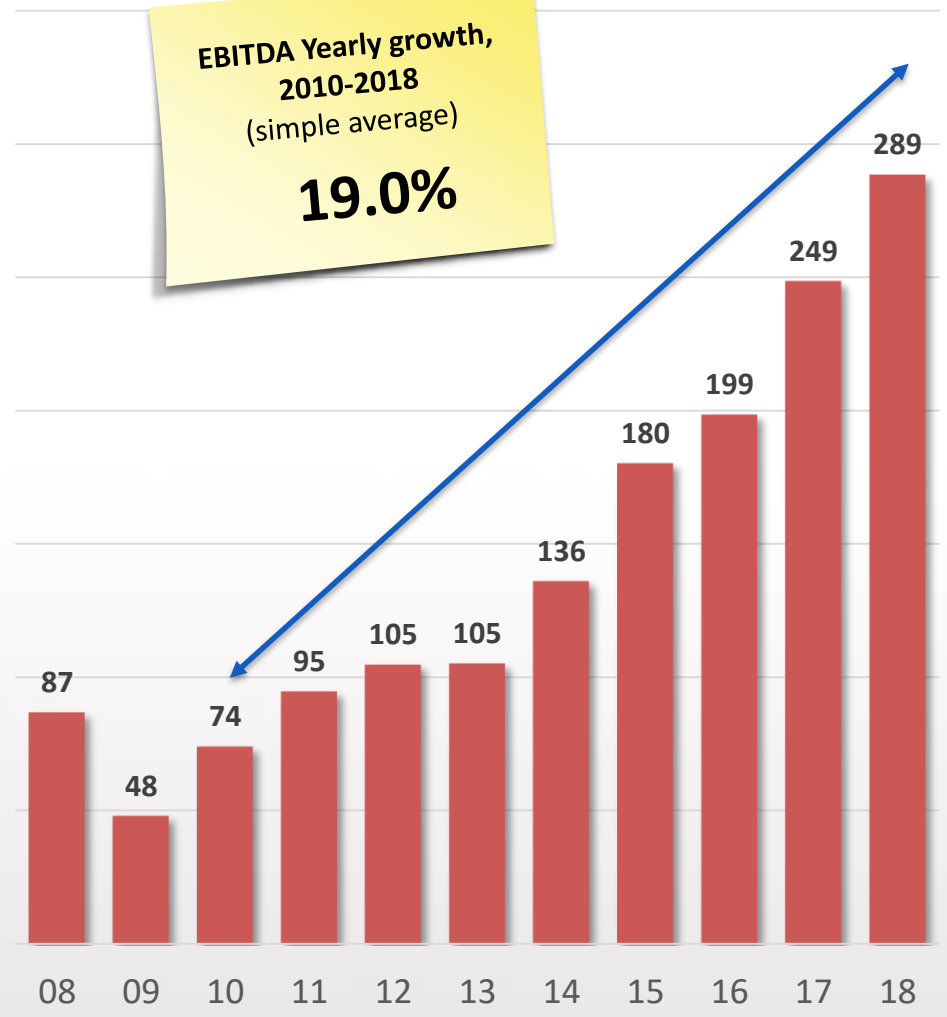
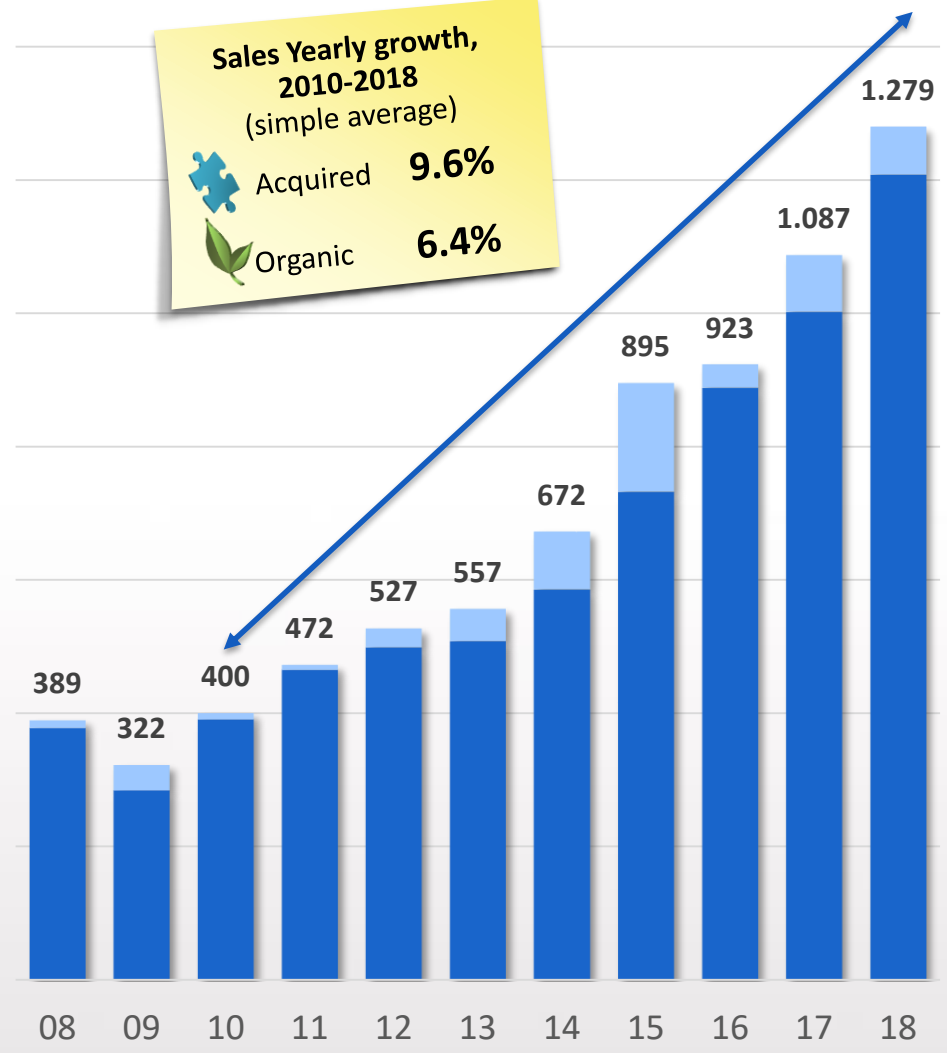
€ mn

Sales Yearly growth, 2010-2018
(simple average)

- Acquired **9.6%**
- Organic **6.4%**

EBITDA Yearly growth, 2010-2018
(simple average)

19.0%



First 12 months' turnover of acquired companies
 Organic business

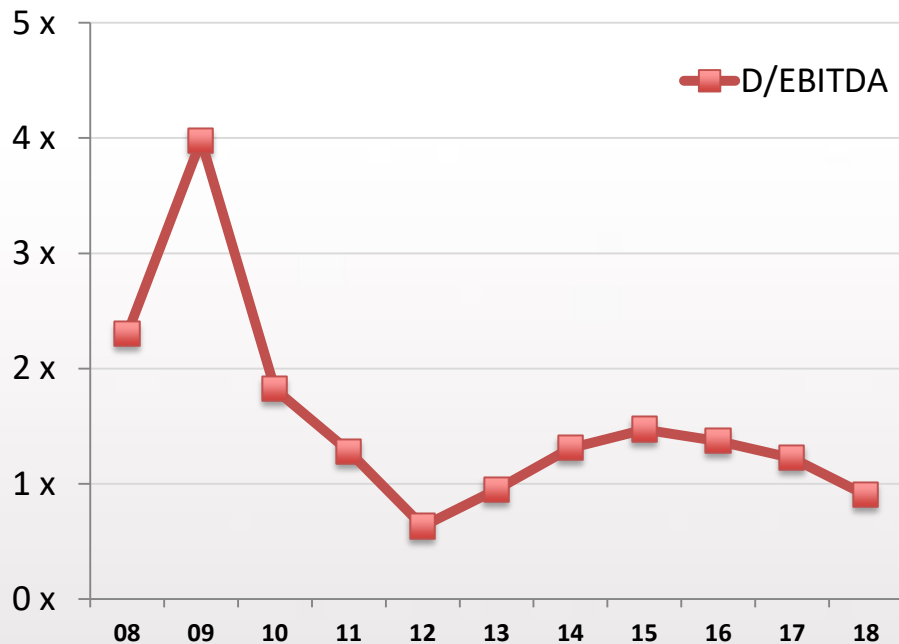
Sales & EBITDA net Electric Motors (dismissed in 2011) for consistency with current business



Prudent debt policy and satisfactory return on capital employed

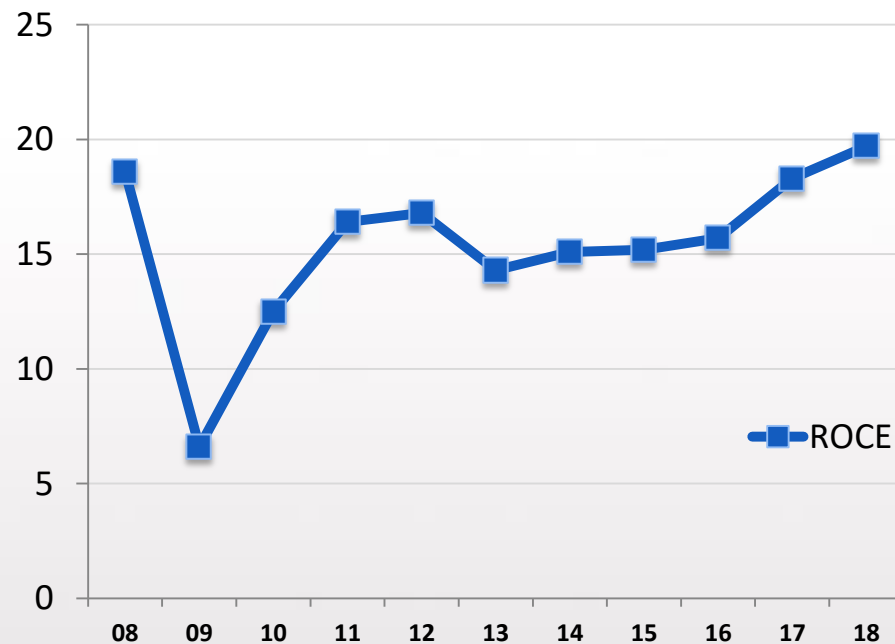
Net Debt / EBITDA (12 M)

Net of treasury stock and including commitments for purchase of investments



Return On Capital Employed (12M)

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



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.

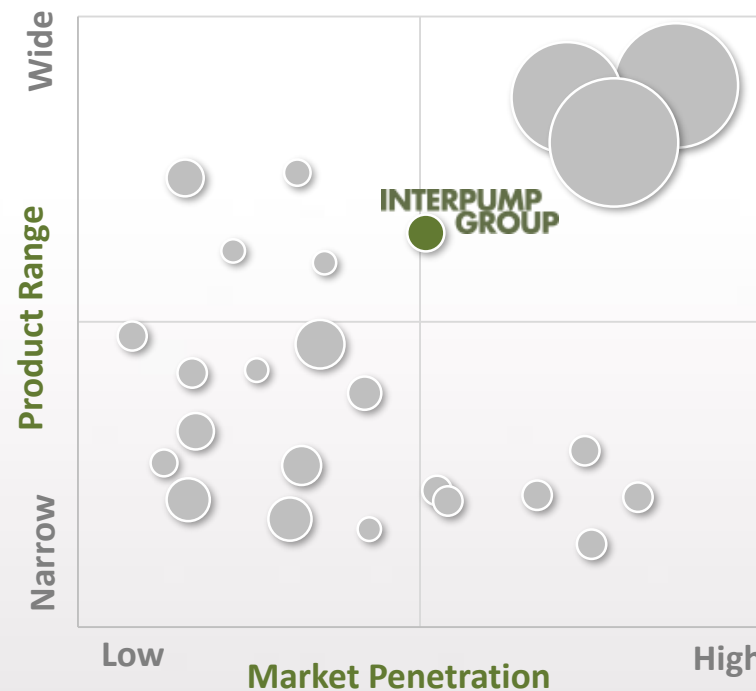
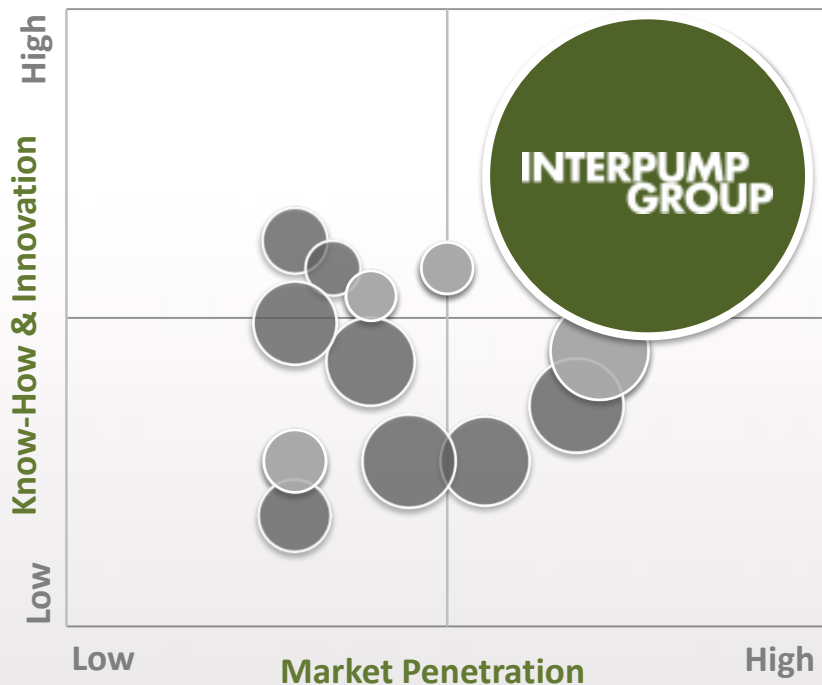
Stainless steel, aluminum, brass, cast iron, copper, and countless other alloys. **Smart, forward-looking buying policy** keeps us safe from price volatility.

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

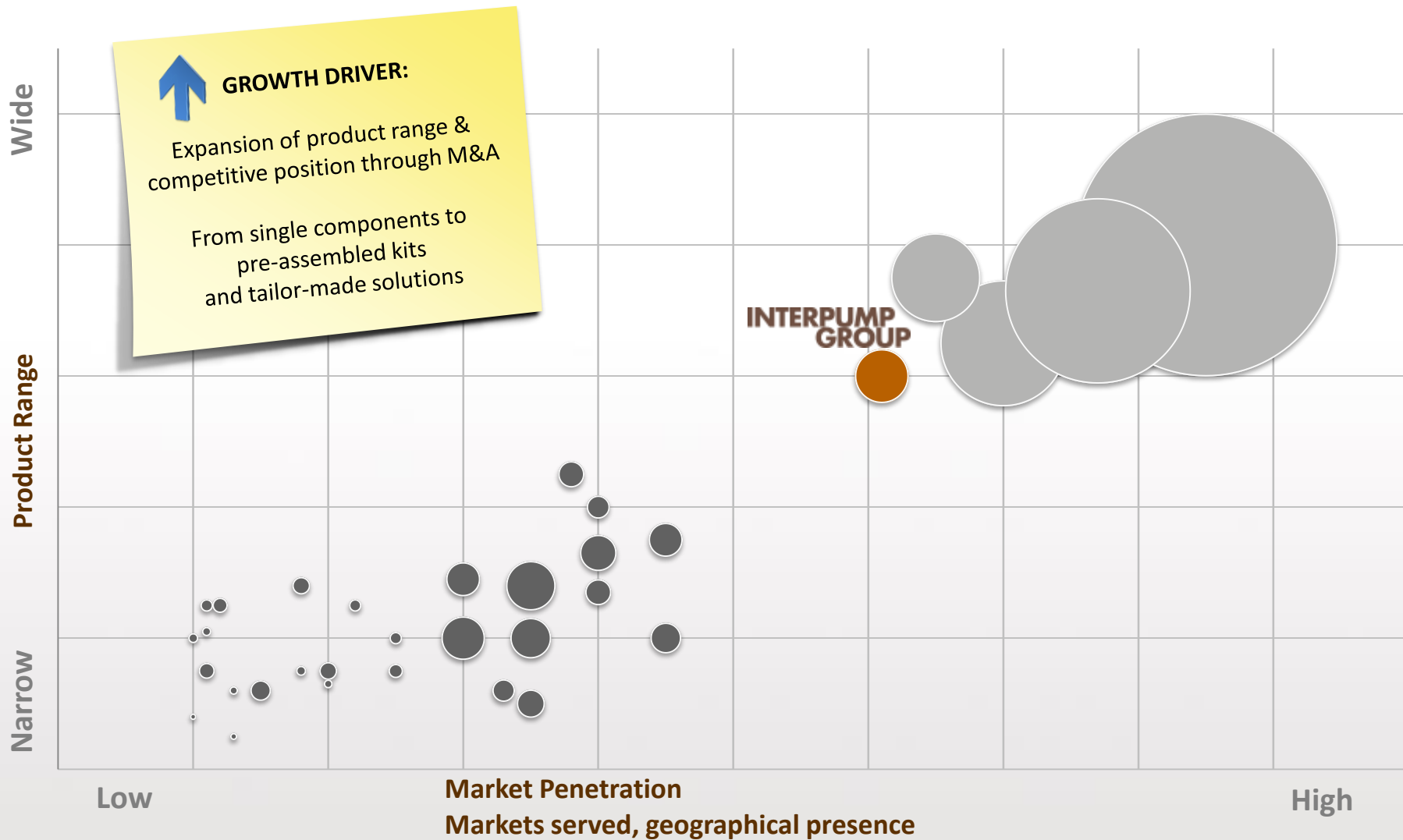


Expansion of product range & competitive position through M&A



Competitive Scenario

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





March 2019 – Total employees: 1,852

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



Inoxpa



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



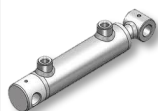
March 2019 – Total employees: 4,958

▶ 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
▶ Rotating manifolds

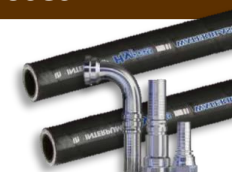


WALVOIL
Hydrocontrol, Galtech M.T.C.

HYDRA DYNE TECH

▶ Rubber hoses

I.M.M. Hypress
Interpump Hose



▶ Metallic flexible hoses

Tubiflex



▶ Rigid pipes & piping systems

GS-Hydro Tekno Tubi



▶ Hose assembly machines



Hydralok

▶ 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



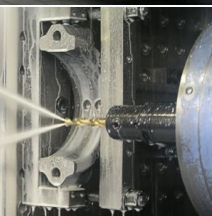
CONSTRUCTION

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



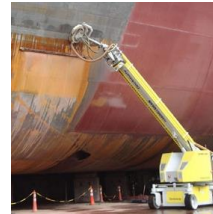
CLEANING

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

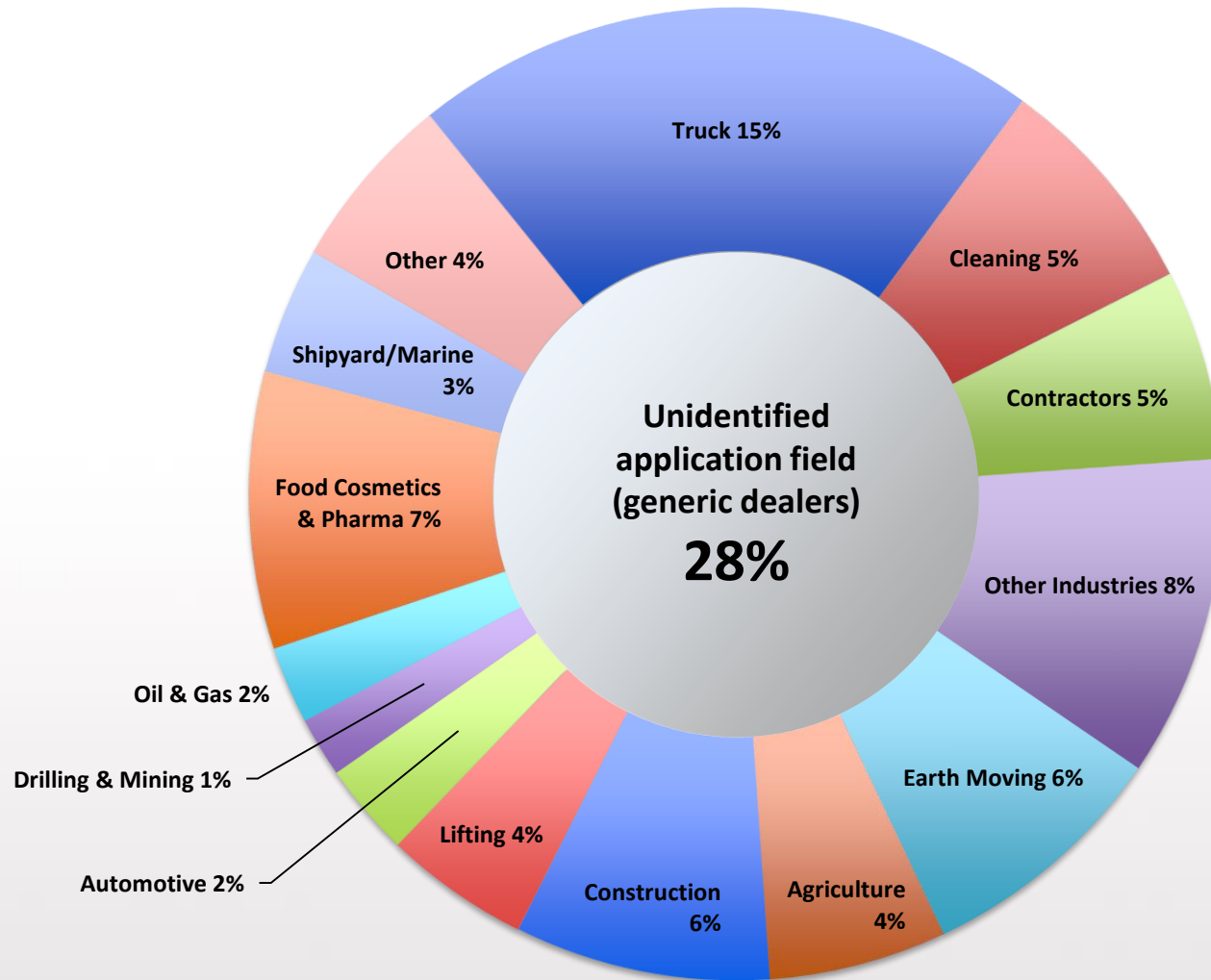
**DRILLING / TUNNELING**

Tunnel-boring machines



Diversification by application field

2018 Total Turnover: Euro 1,279 million



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

Diversification is a never-ending journey

Significant reduction of cyclicity and correlation achieved over the past decade

WATER JETTING

HYDRAULICS

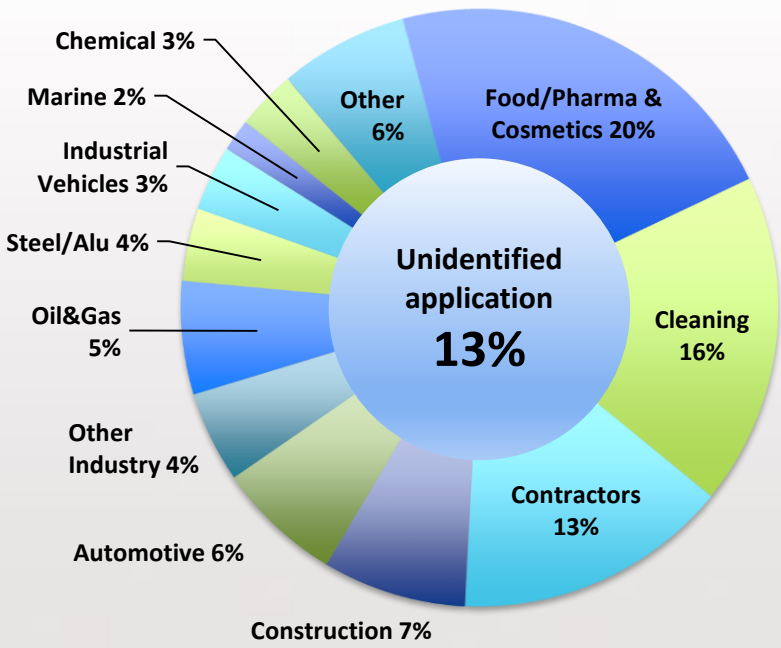


2004 ~100% Cleaning

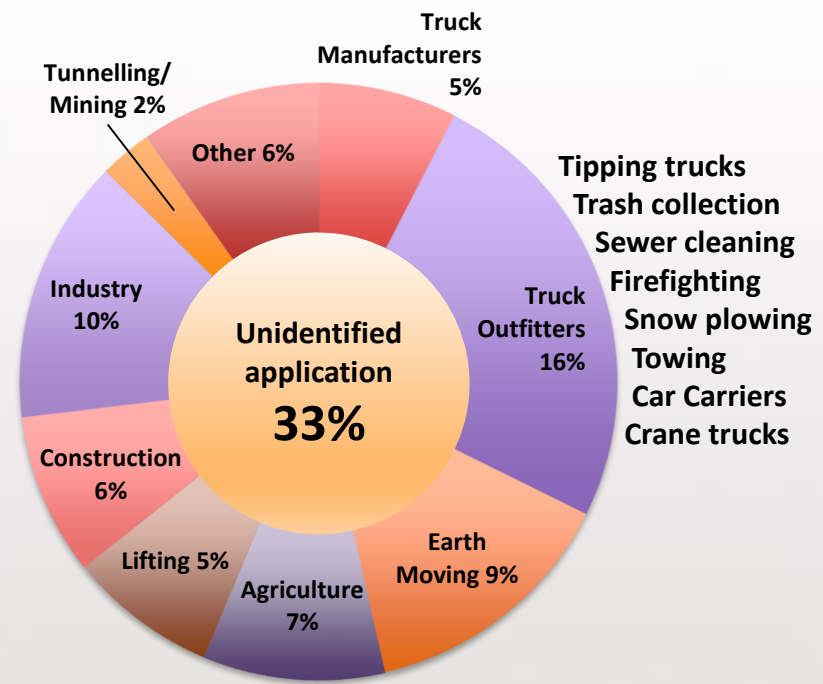


2008 ~100% Trucks

- ✓ 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



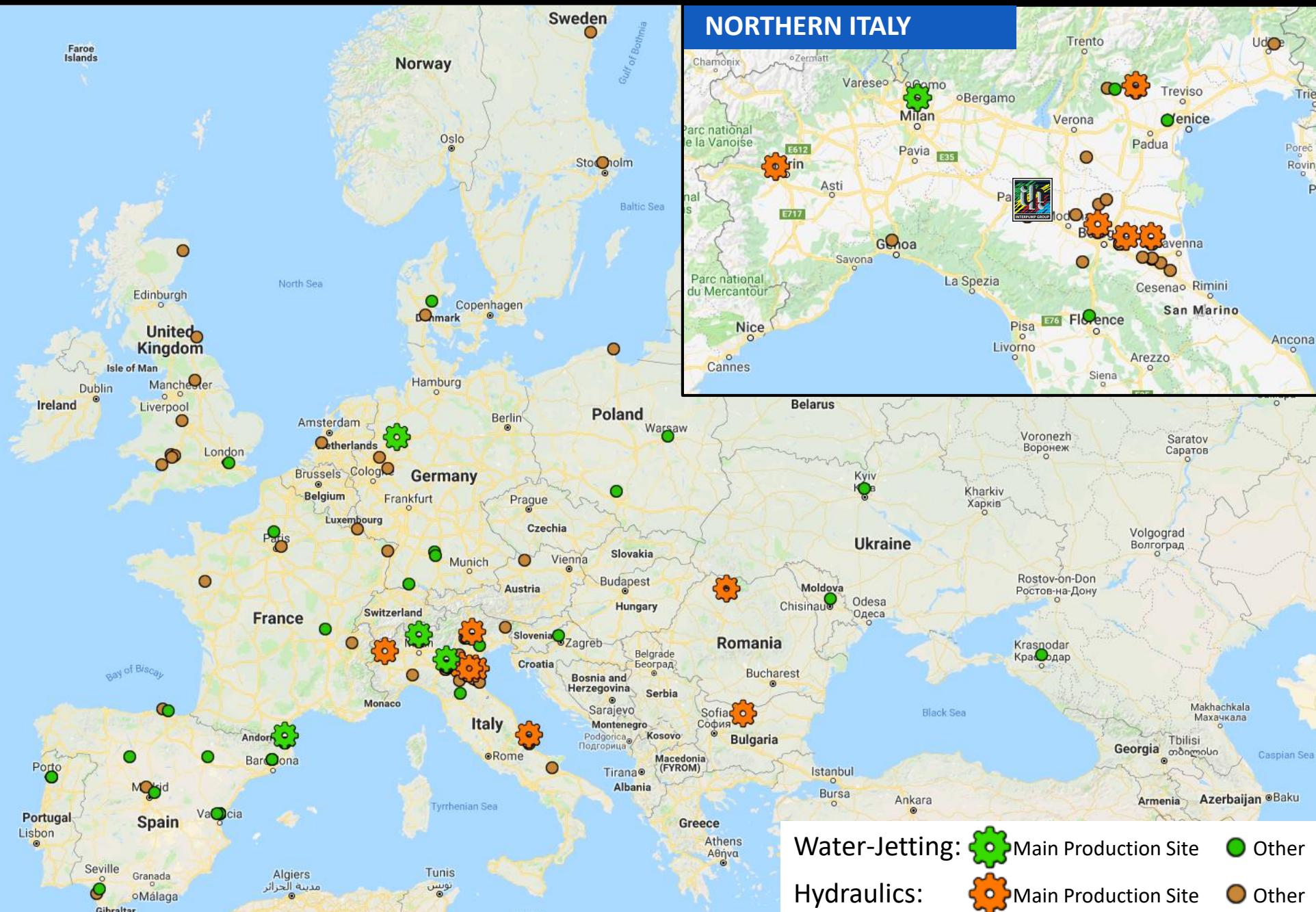
2018





International Profile: Interpump in Europe

Map data ©2019 Geobasis-DE/BKG (©2009), Google, Inst. Geogr. National

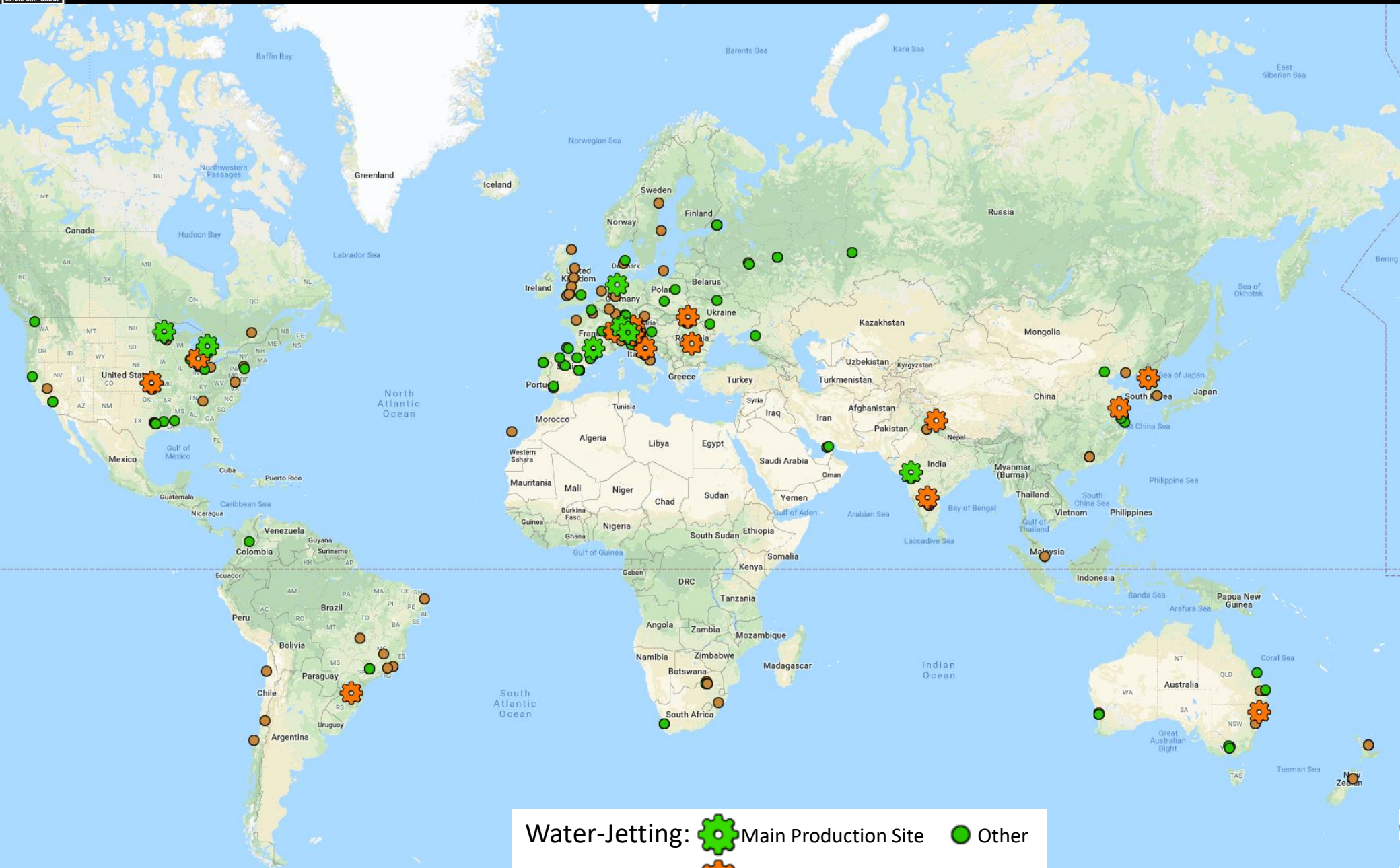


Water-Jetting: Main Production Site Other

Hydraulics: Main Production Site Other

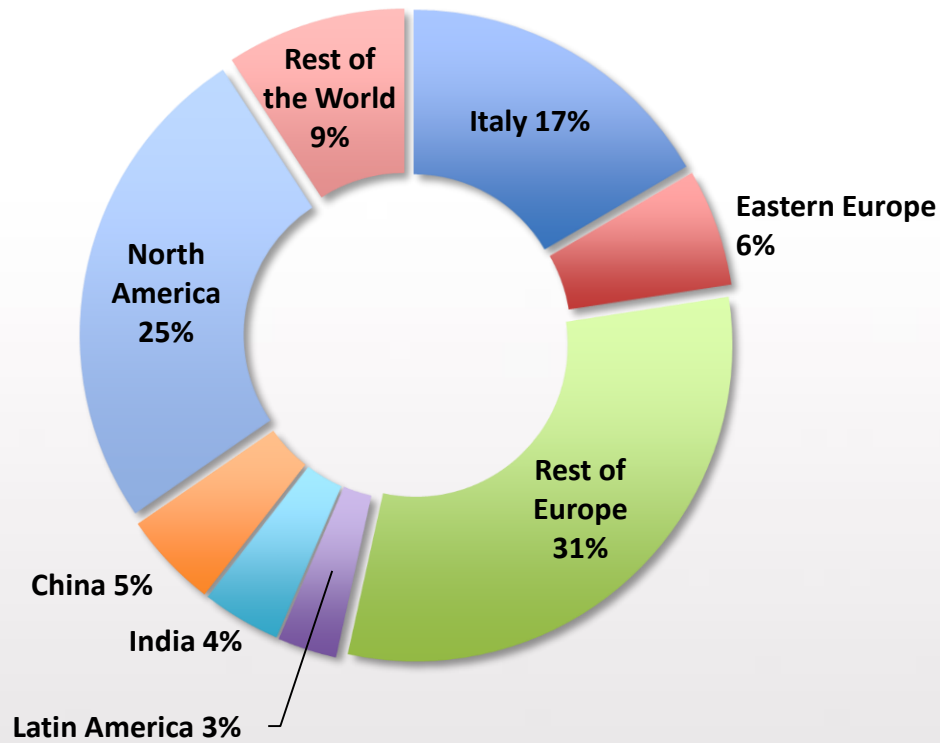


International Profile: Interpump in the World

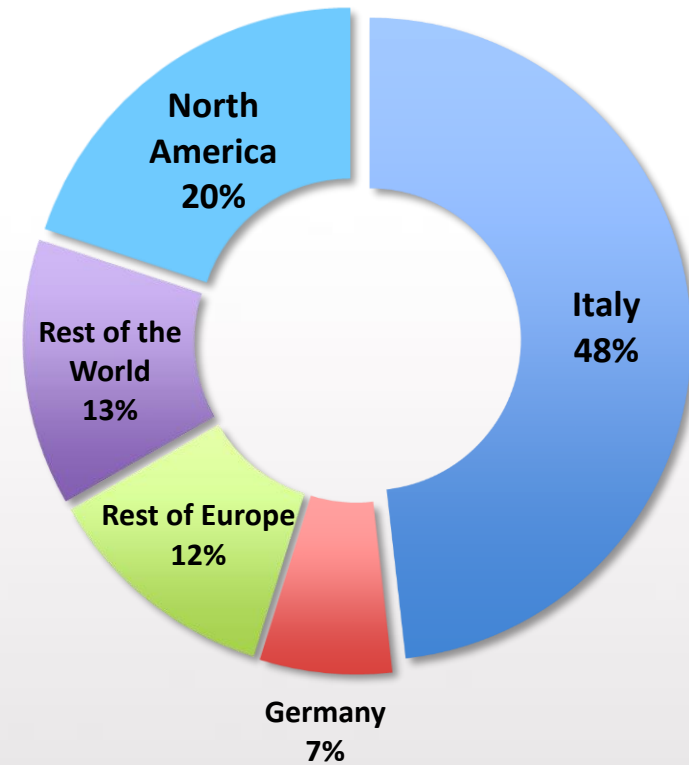


Geographical breakdown of sales and costs (2018)

Sales



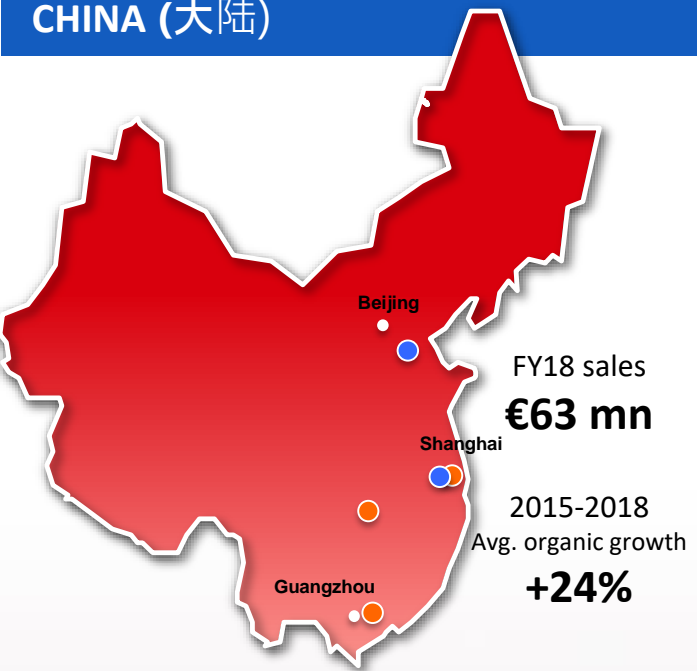
Total Costs



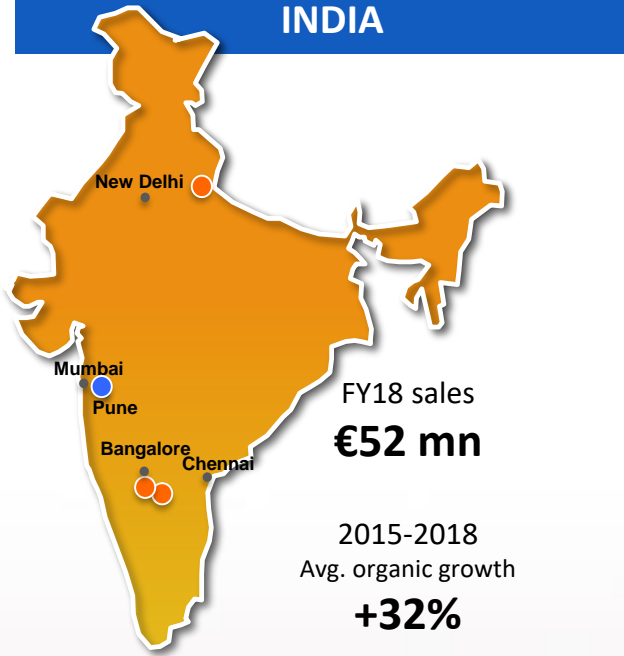
Focus on emerging markets: a well-balanced presence

● Water-Jetting ● Hydraulics

CHINA (大陆)



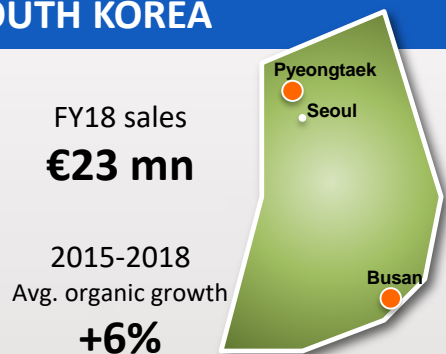
INDIA



BRAZIL



SOUTH KOREA



RUSSIA





40+ 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

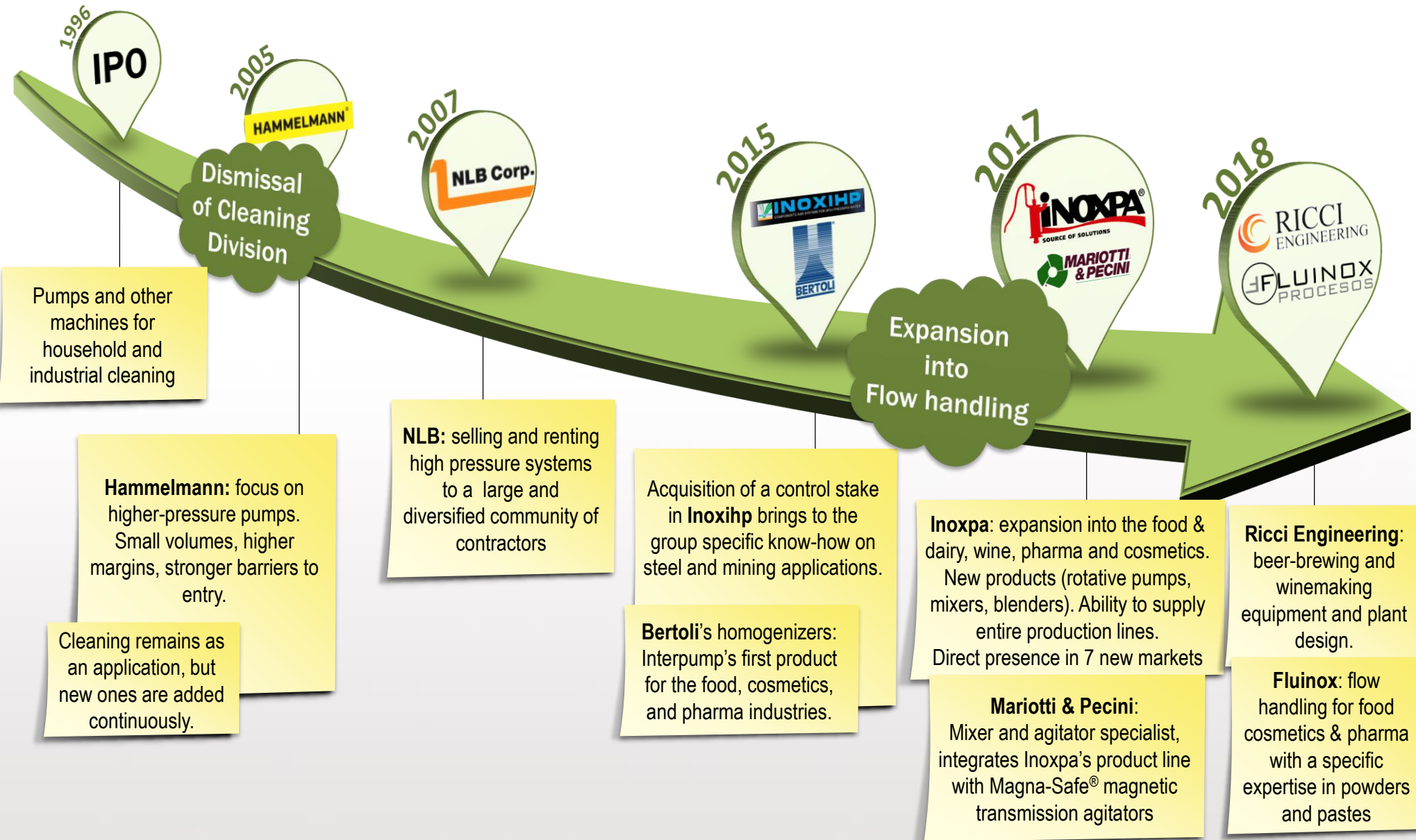


Use of Interpump treasury shares as full or partial payment for some acquisitions



Acquisition & Diversification Timeline

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
INOXHP
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
MARIOTTI & PECINI

Expansion into Flow handling

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

Mariotti & Pecini: Mixer and agitator specialist, integrates Inoxpa's product line with Magna-Safe® magnetic transmission agitators

2018
RICCI ENGINEERING
FLUINOX PROCESOS

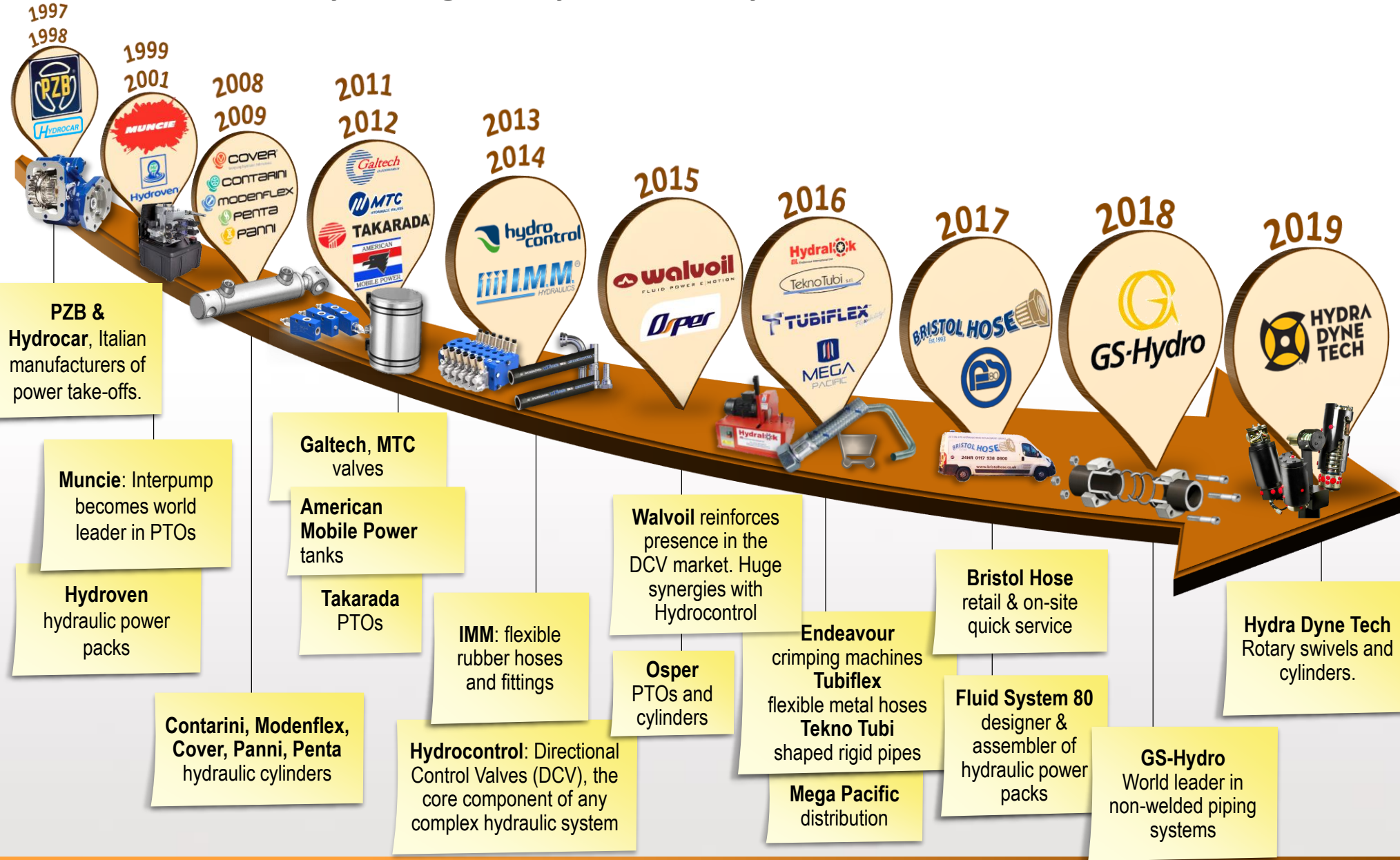
Ricci Engineering: beer-brewing and winemaking equipment and plant design.

Fluinox: flow handling for food cosmetics & pharma with a specific expertise in powders and pastes



Acquisition & Diversification Timeline

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





HYDRA DYNE TECH

- Headquartered in Ontario, Canada
- Manufacturer of best-in-class rotary manifolds, valves and hydraulic cylinders, using the proprietary patented LocSeal™ technology. Rotary manifolds represent an addition to Interpump’s product range.
- Products designed and customized according to the needs of some of the largest OEMs in the agricultural machinery, earth moving, and forestry sectors.
- Significant expansion of Interpump’s Canadian and North-American business
- New application sector: forestry machinery



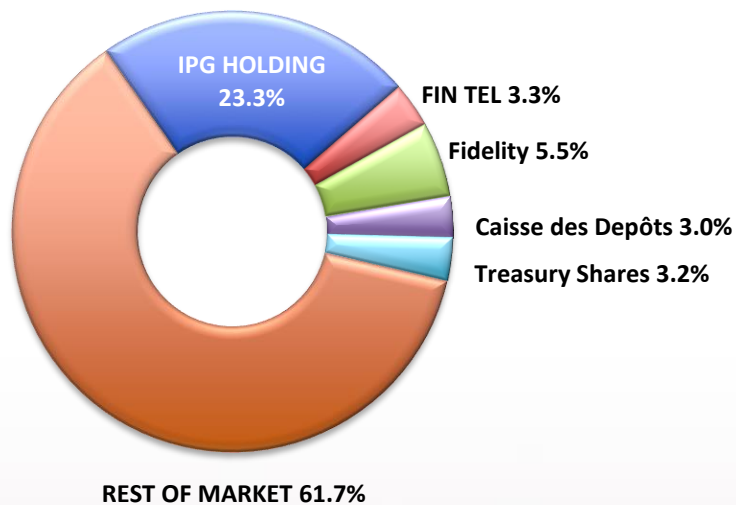
FY2018 Data (year ending August 31)

SALES	CAD 36 mn
EBITDA	CAD 6.1 mn
NET DEBT	CAD 7.2 mn
PRICE PAID (for a 75% stake)	EUR 15.2 mn

Updated 01/08/2019

Shareholder Structure

Source: CONSOB/Company



Analyst Coverage

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

Milan Research Team
Paola Saglietti
Domenico Ghilotti
Michele Baldelli
Carlo Maritano
Bruno Permutti
Matteo Bonizzoni
Alessandro Tortora

Interpump Stock Performance

Total return to shareholders since the IPO: 13.3% per year
(assuming dividend reinvestment and participation to the '09 capital increase)

Share price	25.52
Market Capitalization	€ 2.8 bn
Performance 3 M:	-23.8%
Performance 1 Y:	-4.8%
Performance 2 Y:	-2.9%

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



as of 31 December 2018

Board of Directors

★ = independent

Fulvio Montipò *Chairman and CEO*

Paolo Marinsek *Deputy Chairman*

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

★ **Angelo Busani** *Minority Director*

★ **Antonia Di Bella**

★ **Marcello Margotto**

★ **Stefania Petruccioli**

★ **Paola Tagliavini**

Giovanni Tamburi

Board of Statutory Auditors

Fabrizio Fagnola *Chairman*

Federica Menichetti

Alessandra Tronconi

Chief Financial Officer

Carlo Banci

Independent Auditors

EY S.p.A.

Head of Investor Relations

Luca Mirabelli

Synthesis of results

Euro/million	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Sales	424.5	342.9	424.9	472.3	527.2	556.5	672.0	894.9	922.8	1086.6	1279.2
EBITDA	87.0	46.9	74.1	94.7	105.8	105.2	136.1	180.3	198.5	248.6	288.5
Margin	20.5%	13.7%	17.4%	20.0%	20.1%	18.9%	20.3%	20.1%	21.5%	22.9%	22.6%
EBIT	75.7	29.2	54.7	75.7	84.1	79.2	104.4	136.9	153.5	198.9	236.5
Margin	17.8%	8.5%	12.9%	16.0%	15.9%	14.3%	15.5%	15.3%	16.6%	18.3%	18.5%
Net Profit	40.2	14.0	27.4	42.6	53.2	44.1	57.7	118.3	94.5	135.7	173.2
Margin	9.5%	4.1%	6.4%	9.0%	10.1%	7.9%	8.6%	13.1%	10.2%	12.5%	13.5%
Free Cash flow	22.1	63.1	57.0	30.9	38.6	34.3	38.3	85.2	89.9	93.6	82.2
Net Fin. Debt	200.5	186.5	134.9	121.6	66.1	100.3	178.8	265.1	271.5	304.3	260.1
(net of treasury stock and including commitments for purchase of investments)											
Shareholder's Equity	178.0	242.8	291.5	315.2	396.9	432.9	466.6	622.6	677.5	764.7	868.2
Debt/Equity	1.13	0.77	0.46	0.39	0.16	0.23	0.38	0.42	0.40	0.40	0.30

Continuing operations only

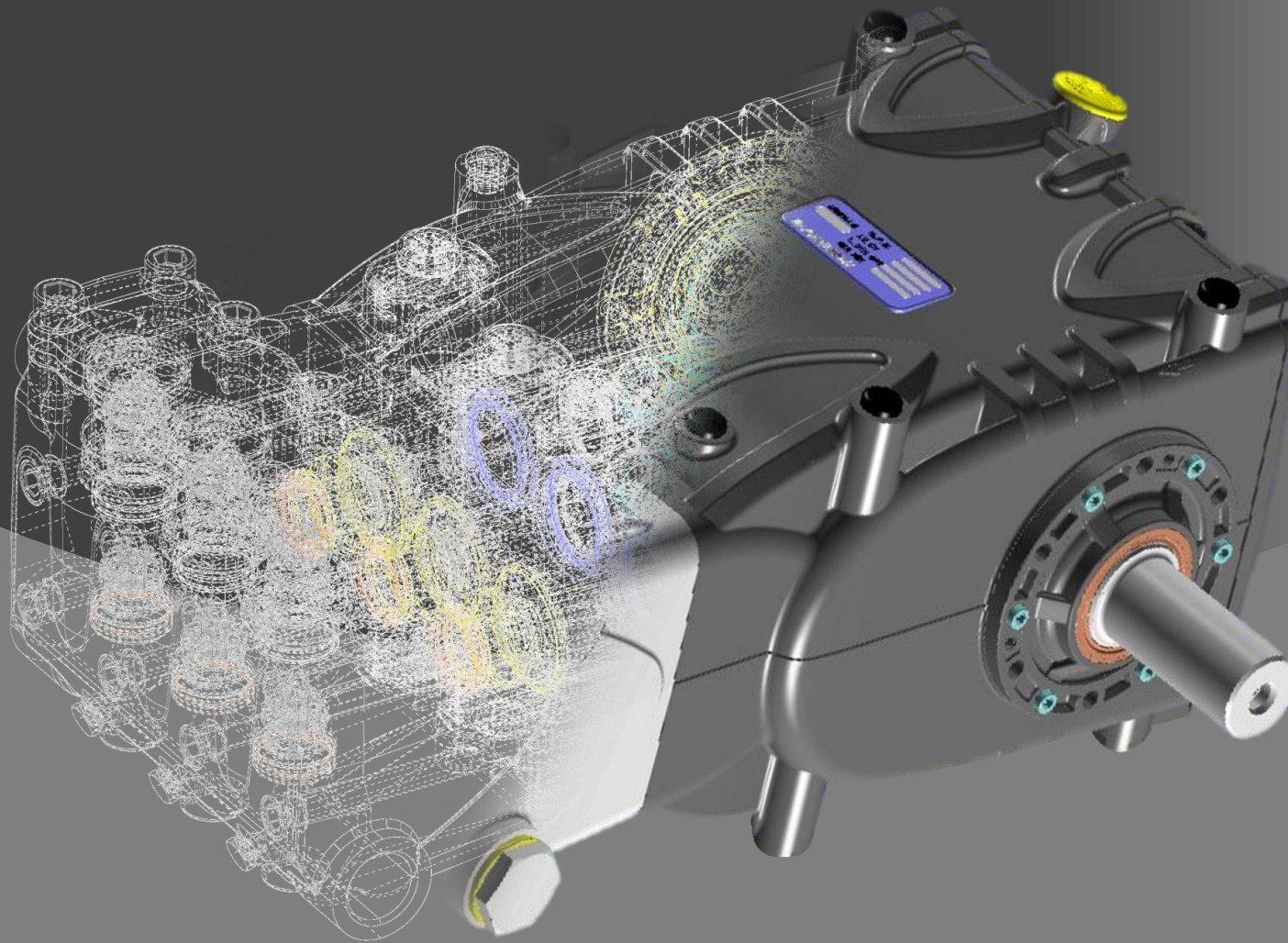
Free Cash Flow (12 Months)

(euro/million)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cash Flow from Operations	25.2	54.6	60.8	65.6	65.3	95.8	120.2	138.0	172.4	210.2
Change in Trade Working Capital	44.4	10.1	(21.8)	(12.3)	(1.7)	(23.7)	(6.6)	(12.2)	(30.8)	(61.4)
Capex	(9.2)	(8.7)	(11.8)	(15.8)	(29.8)	(34.1)	(28.9)	(36.5)	(47.8)	(68.2)
Other	2.7	1.0	3.7	3.6	0.5	0.3	0.5	0.7	(0.3)	1.6
Free Cash Flow	63.1	57.0	30.9	38.6	34.3	38.3	85.2	89.9	93.6	82.2

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, May 10, 2019

Carlo Banci

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