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Informazione Regolamentata n. 0159-6-2021	Data/Ora Ricezione 12 Febbraio 2021 12:23:28	MTA - Star
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Societa' : INTERPUMP GROUP
Identificativo : 142465
Informazione
Regolamentata
Nome utilizzatore : INTERPUMP03 - MIRABELLI
Tipologia : 1.1
Data/Ora Ricezione : 12 Febbraio 2021 12:23:28
Data/Ora Inizio : 12 Febbraio 2021 12:23:29
Diffusione presunta
Oggetto : ERRATA - Consolidated results at
31/12/2020 (amendment in title)

Testo del comunicato

Vedi allegato.



PRESS RELEASE

INTERPUMP GROUP APPROVES THE CONSOLIDATED Q4 RESULTS & PRELIMINARY DATA FOR FY2020, AND DISCLOSES EXPECTATIONS FOR THE 3-YEAR PERIOD 2021-2023

Chairman Fulvio Montipò: “Interpump closed FY2020, a year marked by the pandemics, demonstrating a very solid market position and confirming a structural, strong capacity to make profit. Actions undertaken resulted in an outstanding free cash flow; this is a precious endowment for the the intense M&A activity we are fully committed to”

DATA FOR THE FOURTH QUARTER OF 2020:

NET SALES: € 340.1 million (€ 342.5 mn in Q4 2019)
EBITDA: € 78.8 million (€ 77.6 mn in Q4 2019)
EBITDA/SALES: 23.2% (22.7% in Q4 2019)
CONSOLIDATED NET PROFIT: € 49.7 million (€ 45.1 mn in Q4 2019)

PRELIMINARY RESULTS FOR FY 2020:

NET SALES: € 1,294.4 million (€ 1,368.6 mn in FY 2019)
EBITDA: € 294.1 million (€ 317.9 mn in FY 2019)
EBITDA/SALES: 22.7% (23.2% in FY 2019)
CONSOLIDATED NET PROFIT: € 152.7 million (€180.6 mn in FY 2019)
FREE CASH FLOW: € 203.8 million (€ 124.8 million in FY 2019)
NET DEBT: € 269.5 million (€ 370.8 million at 31/12/2019)
(after € 28.3 mn dividends paid, € 49.0 mn disbursement for acquisitions and € 48.5 mn in purchases of treasury shares)

EXPECTATIONS FOR THE 3-YEAR PERIOD **2021-2023***

NET SALES: total increase in sales of approximately 33%
PROFITABILITY: preservation of excellence with EBITDA margin in the neighborhood of 22%

* Corrected since the first dissemination of this press release


NET DEBT: between 1x and 1.5x yearly EBITDA

S. Ilario d'Enza, 12 February 2021 – The Board of Directors of Interpump Group S.p.A. met today and approved the **consolidated Interim Report at 31/12/2020**.

Q4 2020 RESULTS

Net Sales for the fourth quarter of 2020 totaled 340.1 million euro, a decrease of 0.7% from the 342.5 million euro in the corresponding period of 2019.

Sales by business sector and geographical area were as follows:

(€/000)

	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
<i>Q4 2020</i>						
Hydraulics	45,406	83,760	49,499	31,389	26,631	236,685
Water-Jetting	<u>9,730</u>	<u>39,765</u>	<u>30,497</u>	<u>14,919</u>	<u>8,530</u>	<u>103,441</u>
Total	<u>55,136</u>	<u>123,525</u>	<u>79,996</u>	<u>46,308</u>	<u>35,161</u>	<u>340,126</u>
<i>Q4 2019</i>						
Hydraulics	41,339	78,321	56,726	24,178	20,452	221,016
Water-Jetting	<u>10,907</u>	<u>39,866</u>	<u>33,443</u>	<u>22,674</u>	<u>14,579</u>	<u>121,469</u>
Total	<u>52,246</u>	<u>118,187</u>	<u>90,169</u>	<u>46,852</u>	<u>35,031</u>	<u>342,485</u>

Organic growth, at unchanged perimeter and before the currency exchange, was -1.7% (-12.4% for Water-Jetting and +4.2% for Hydraulics)

EBITDA amounted to 78.8 million euro (23.2% of sales) compared to 77.6 million euro in the fourth quarter of 2019 (22.7% of sales).

Consolidated Net Profit for the fourth quarter of 2020 was 49.7 million euro, compared to 45.1 million euro for Q4 2019.


PRELIMINARY CONSOLIDATED FY2020 RESULTS

Net Sales of 2020 totaled 1,294.4 million euro, a decrease of 5.4% from the 1,368.6 million euro registered in 2019.

Sales by business sector and geographical area were as follows:

(€/000)

	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
<i>2020</i>						
Hydraulics	164,095	313,234	210,552	114,075	79,614	881,570
Water-Jetting	<u>35,968</u>	<u>153,994</u>	<u>128,698</u>	<u>58,723</u>	<u>35,410</u>	<u>412,793</u>
Total	<u>200,063</u>	<u>467,228</u>	<u>339,250</u>	<u>172,798</u>	<u>115,024</u>	<u>1,294,363</u>
<i>2019</i>						
Hydraulics	179,158	323,390	225,427	87,348	86,924	902,247
Water-Jetting	<u>41,897</u>	<u>163,579</u>	<u>145,602</u>	<u>69,446</u>	<u>45,847</u>	<u>466,371</u>
Total	<u>221,055</u>	<u>486,969</u>	<u>371,029</u>	<u>156,794</u>	<u>132,771</u>	<u>1,368,618</u>

Organic growth, at unchanged perimeter and before the currency exchange, was -12.6% (-13.6% in Hydraulics, -10.8% in Water-Jetting)

EBITDA amounted to 294.1 million euro (22.7% of sales) compared to 317.9 million euro of 2019 (23.2% of sales). The following table sets out EBITDA by business sector:

	<u>2020</u>	<u>% on sales</u>	<u>9M 2019</u>	<u>% on sales</u>	<u>Change</u>
	<u>€/000</u>		<u>€/000</u>		
Hydraulics	183,473	20.8%	187,168	20.7%	-2.0%
Water-Jetting	<u>110,582</u>	26.7%	<u>130,722</u>	27.9%	-15.4%
Total	<u>294,055</u>	22.7%	<u>317,890</u>	23.2%	-7.5%

Operating income (**EBIT**) was 207.7 million euro compared to 247.2 million euro in 2019.

Consolidated Net Profit for FY 2020, which currently stands at 152.7 million euro (was 180.7 million euro in FY 2019), does not incorporate the positive effect resulting from the application of the Italian law, passed in 2020, regarding the revaluation of assets.



Net cash flow from operating activities was 229.5 million euro (233.1 million euro in 2019). **Free cash flow** amounted to 203.8 million euro (124.8 million euro in 2019).

Net debt at 31 December 2020 was 269.5 million euro (370.8 million euro at 31 December 2019). In the course of the year, dividends paid amounted to 28.3 million euro; 48.5 million euro were spent in treasury shares, while disbursements for acquisitions amounted to 49.0 million euro. Additionally, at the end of the year the Group had commitments for the acquisition of stakes in subsidiaries worth a total of 62.7 million euro (54.3 million euro at 31/12/2019).

Capital employed went from 1,480.2 million euro at 31 December 2019 to 1,461.6 million euro at 31 December 2020, due to the opposite effects of the reduction of net working capital, on one side, and the acquisition of Transtecno on the other. The resulting **ROCE** was 14.2% (16.7% in 2019). **ROE** was 13.5% (17.1% in 2019).

At 31 December 2020 Interpump Group S.p.A. had 2,222,356 **treasury shares** in its portfolio, representing 2.04% of total share capital, purchased at an average cost of € 28.141.

UPDATE ON COVID-19 PANDEMIC AND EXPECTATIONS FOR THE 3-YEAR PERIOD 2021-2023

During the pandemic year, Interpump has rigorously put in practice all precautions necessary to reduce contagion risk on the workplace, in the various countries where the Group operates. Profitability of the business was preserved, as expressed by the EBITDA margins; free cash flow, at more than 200 million euro, was the highest ever, allowing to reduce net debt by the sizeable amount of 101 million, despite the regular payment of dividends, the progression of capex, and the continuation of share buyback.

However, the outbreak of the pandemic has obviously held back the development plans of the entire manufacturing sector. Therefore, it is time to provide an update of the indications about growth expectations for the next three years, as disclosed on 14/2/2020.

Considering that the growth strategy remains unchanged, and that Interpump's growth potential was not harmed in any way by the facts of 2020, the company deems appropriate to reiterate the same expectations, rolled forward one year.

Specifically, for the three years from 31/12/2020 to 31/12/2023:



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- 1) **solid growth of total sales** (in the neighborhood of +33%), from both organic growth and M&A;
- 2) preservation of **excellence in profitability** with an EBITDA margin in the neighborhood of 22% (also considering the possibility of a momentary dilution brought about by acquisitions);
- 3) continued **prudent use of financial leverage** (total debt between 1 and 1.5 times yearly EBITDA).

Pursuant to Article 65-bis, paragraph 2 of Consob Deliberation 11971/1999 as modified and supplemented, the **Interim Report at 31 December 2020** is **available to the public** at the Group's registered office and may be also be consulted on the "Financial Statements and Reports" page in the "Investor relations" section of the Group's website www.interpumpgroup.it, as well on the www.emarketstorage.com repository.

S. Ilario d'Enza (RE), 12 February 2021

On behalf of the Board of Directors
Fulvio Montipò, Chairman

Carlo Banci, the manager responsible for drafting the company's accounting documents, declares - pursuant to the terms Article 154-bis, paragraph 2 of the Consolidated Financial Services 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), 12 February 2021

Carlo Banci
Manager responsible for drafting
the company's accounting documents

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Consolidated Statement of financial position

(€/000)	<u>31/12/2020</u>	<u>31/12/2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	343,170	233,784
Trade receivables	261,707	284,842
Inventories	376,596	408,443
Tax receivables	23,962	24,337
Other current assets	<u>10,368</u>	<u>9,077</u>
Total current assets	<u>1,015,803</u>	<u>960,483</u>
Non-current assets		
Property, plant and equipment	476,480	484,358
Goodwill	549,168	508,670
Other intangible assets	43,511	32,527
Other financial assets	2,269	4,226
Tax receivables	757	1,590
Deferred tax assets	35,335	34,679
Other non-current assets	<u>2,089</u>	<u>2,150</u>
Total non-current assets	<u>1,109,609</u>	<u>1,068,200</u>
Total assets	<u>2,125,412</u>	<u>2,028,683</u>



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(€/000)

LIABILITIES

Current liabilities

Trade payables	154,101	157,413
Payables to banks	10,592	22,076
Interest bearing financial payables (current portion)	183,873	195,110
Taxes payable	13,016	14,965
Other current liabilities	73,720	90,230
Provisions for risks and charges	4,739	4,055
Total current liabilities	440,041	483,849

Non-current liabilities

Interest-bearing financial payables	418,205	387,412
Liabilities for employee benefits	23,809	21,402
Deferred tax liabilities	43,070	42,154
Tax liabilities	2,099	125
Other non-current liabilities	58,323	35,610
Provisions for risks and charges	10,415	3,057
Total non-current liabilities	555,921	489,760
Total liabilities	995,962	973,609

SHAREHOLDERS' EQUITY

Share capital	55,461	55,460
Legal reserve	11,323	11,323
Share premium reserve	78,694	96,733
Remeasurement reserve for defined benefit plans	(8,217)	(7,358)
Translation reserve	(27,211)	7,735
Other reserves	1,008,988	885,446
Group shareholders' equity	1,119,038	1,049,339
Minority interests	10,412	5,735
Total shareholders' equity	1,129,450	1,055,074
Total shareholders' equity and liabilities	2,125,412	2,028,683



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Consolidated income statement

(€/000)	<u>2020</u>	<u>2019</u>
Net sales	1,294,363	1,368,618
Cost of sales	(830,878)	(866,701)
Gross industrial margin	463,485	501,917
<i>% of net sales</i>	<i>35.8%</i>	<i>36.7%</i>
Other operating income	18,583	20,115
Distribution expenses	(113,353)	(124,323)
General and administrative expenses	(147,150)	(145,556)
Other operating costs	(13,906)	(4,939)
EBIT	207,659	247,214
<i>% of net sales</i>	<i>16.0%</i>	<i>18.1%</i>
Financial income	16,178	15,062
Financial charges	(21,372)	(18,038)
Equity method contribution	101	(8)
Profit for the period before taxes	202,566	244,230
Income taxes	(49,825)	(63,628)
Consolidated profit for the period	152,741	180,602
<i>% of net sales</i>	<i>11.8%</i>	<i>13.2%</i>
Attributable to:		
Shareholders of Parent	150,440	179,170
Minority shareholders of subsidiaries	2,301	1,432
Consolidated profit for the period	152,741	180,602
EBITDA	294,055	317,890
<i>% of net sales</i>	<i>22.7%</i>	<i>23.2%</i>
Shareholders' equity	1,129,450	1,055,074
Net debt	269,500	370,814
Payables for purchase of shareholdings	62,686	54,286
Capital employed	1,461,636	1,480,174
ROCE	14.2%	16.7%
ROE	13.5%	17.1%
Basic earnings per share	1.405	1.699


Consolidated statement of comprehensive income for the full year

(€/000)	<u>2020</u>	<u>2019</u>
Consolidated profit for the year (A)	152,741	180,602
Other comprehensive income which will subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	(35,358)	4,687
<i>Gains (losses) from companies accounted for using the equity method</i>	(75)	5
<i>Applicable taxes</i>		=
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>(35,433)</u>	<u>4,692</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>	(1,146)	(1,840)
<i>Applicable taxes</i>	<u>275</u>	<u>442</u>
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss (C)	<u>(871)</u>	<u>(1,398)</u>
Consolidated comprehensive income for the year (A)+(B)+(C)	<u>116,437</u>	<u>183,896</u>
Attributable to:		
Shareholders of Parent	114,635	182,370
Minority shareholders of subsidiaries	<u>1,802</u>	<u>1,526</u>
Consolidated comprehensive income for the year	<u>116,437</u>	<u>183,896</u>



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Consolidated income statement for the fourth quarter

(€/000)	<u>2020</u>	<u>2019</u>
Net sales	340,126	342,485
Cost of sales	(219,178)	(217,779)
Gross industrial margin	120,948	124,706
<i>% of net sales</i>	<i>35.6%</i>	<i>36.4%</i>
Other operating income	5,328	5,623
Distribution expenses	(28,383)	(32,760)
General and administrative expenses	(36,331)	(38,445)
Other operating costs	(2,387)	(974)
EBIT	59,175	58,150
<i>% of net sales</i>	<i>17.4%</i>	<i>17.0%</i>
Financial income	7,014	5,706
Financial charges	(4,119)	(7,097)
Equity method contribution	(54)	(31)
Profit for the period before taxes	62,016	56,728
Income taxes	(12,282)	(11,635)
Consolidated profit for the period	49,734	45,093
<i>% of net sales</i>	<i>14.6%</i>	<i>13.2%</i>
Attributable to:		
Shareholders of Parent	48,997	44,595
Minority shareholders of subsidiaries	737	498
Consolidated profit for the period	49,734	45,093
EBITDA	78,801	77,605
<i>% of net sales</i>	<i>23.2%</i>	<i>22.7%</i>
Shareholders' equity	1,129,450	1,055,074
Net debt	269,500	370,814
Payables for purchase of shareholdings	62,686	54,286
Capital employed	1,461,636	1,480,174
Non-annualized ROCE	4.0%	3.9%
Non-annualized ROE	4.4%	4.3%
Basic earnings per share	0.458	0.419



Consolidated statement of comprehensive income for the fourth quarter

(€/000)	<u>2020</u>	<u>2019</u>
Consolidated profit for the fourth quarter (A)	49,734	45,093
Other comprehensive income which will subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	<i>(11,632)</i>	<i>(10,185)</i>
<i>Gains (losses) from companies accounted for using the equity method</i>	<i>6</i>	<i>(15)</i>
<i>Applicable taxes</i>	<i>—</i>	<i>—</i>
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit for the period, net of the tax effect (B)	<u>(11,626)</u>	<u>(10,200)</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>	<i>(1,146)</i>	<i>(1,840)</i>
<i>Applicable taxes</i>	<i>275</i>	<i>442</i>
Total other comprehensive income which will not subsequently be reclassified to consolidated profit or loss (C)	<u>(871)</u>	<u>(1,398)</u>
Consolidated comprehensive income for the fourth quarter (A)+(B)+(C)	<u>37,237</u>	<u>33,495</u>
Attributable to:		
Shareholders of Parent	36,524	33,050
Minority shareholders of subsidiaries	713	445
Consolidated comprehensive income for the period	<u>37,237</u>	<u>33,495</u>


Consolidated cash flow statement for the first nine months

(€/000)	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Profit before taxes	202,566	244,230
<i>Adjustments for non-cash items:</i>		
Losses (gains) on the sale of fixed assets	(2,336)	(2,774)
Amortization and depreciation	77,009	69,284
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	1,919	2,585
Losses (profits) from investments	(101)	8
Net change in risk provisions and allocations to employee benefit provisions	7,232	(806)
Expenditures for tangible assets to be leased	(5,465)	(6,278)
Proceeds from the disposal of leased tangible assets	5,236	7,793
Net financial charges (revenues)	5,194	2,976
	<u>291,254</u>	<u>317,018</u>
(Increase) decrease in trade receivables and other current assets	25,245	16,976
(Increase) decrease in inventories	30,070	5,270
Increase (decrease) in trade payables and other current liabilities	(4,104)	(42,788)
Interest paid	(5,307)	(5,507)
Realized exchange differences	(2,959)	331
Taxes paid	(53,516)	(78,779)
Net cash from operating activities	<u>280,683</u>	<u>212,521</u>
Cash flows from investing activities		
Payments for the purchase of investments net of cash received, not including treasury shares transferred	(39,779)	(24,719)
Capital expenditure on property, plant and equipment	(58,657)	(72,517)
Proceeds from the sale of tangible fixed assets	1,602	1,936
Increase in intangible assets	(4,366)	(3,073)
Financial income received	1,069	850
Other	1,334	413
Net cash (used in) investing activities	<u>(98,797)</u>	<u>(97,110)</u>
Cash flows from financing activities		
Disbursements (repayments) of loans	22,907	115,398
Dividends paid	(28,323)	(23,876)
Disbursements for purchase of treasury shares	(48,487)	(78,993)
Proceeds from the sale of treasury shares to stock option beneficiaries	14,480	3,823
Repayment (grant) of leases to subsidiaries not consolidated line-by-line	-	(494)
Disbursements (repayments) of shareholder loans	1,891	-
Change in other financial assets	(11)	(126)
Payment of finance lease installments (principal)	(18,188)	(16,739)
Net cash generated by (used in) financing activities	<u>(55,731)</u>	<u>(1,007)</u>
Net increase (decrease) in cash and cash equivalents	<u>126,155</u>	<u>114,404</u>



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(€/000)	<u>2020</u>	<u>2019</u>
Net increase (decrease) in cash and cash equivalents	126,155	114,404
Translation differences for cash held by non-EU companies	(5,333)	602
Effect of IFRS16 on opening cash and cash equivalents	-	(34)
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	48	-
Cash and cash equivalents at the beginning of the period	<u>211,708</u>	<u>96,736</u>
Cash and cash equivalents at the end of the period	<u>332,578</u>	<u>211,708</u>

Cash and cash equivalents consist of the following:

	31/12/2020	31/12/2019
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	343,170	233,784
Bank payables (overdrafts and subject to collection advances)	<u>(10,592)</u>	<u>(22,076)</u>
Cash and cash equivalents as per the consolidated cash flow statement	<u>332,578</u>	<u>211,708</u>



Consolidated statement of changes in shareholders' equity

	Share capital	Legal reserve	Share premium reserve	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholders' equity	Non-controlling interests	Total
<i>At 1 January 2019</i>	54,842	11,323	71,229	(5,965)	3,142	729,373	863,944	4,961	868,905
Recognition in income statement of fair value of stock options granted and exercisable	-	-	2,585	-	-	-	2,585	-	2,585
Purchase of treasury shares	(1,529)	-	(77,464)	-	-	-	(78,993)	-	(78,993)
Transfer of treasury shares to stock option beneficiaries	171	-	3,652	-	-	-	3,823	-	3,823
Transfer of treasury shares as payment for equity investments	1,976	-	96,731	-	-	-	98,707	-	98,707
Dividends distributed	-	-	-	-	-	(23,200)	(23,200)	(675)	(23,875)
Dividends resolved (third parties)	-	-	-	-	-	-	-	(99)	(99)
Reggiana Riduttori minorities	-	-	-	-	-	-	-	175	175
Purchase of residual share of subsidiaries	-	-	-	-	-	103	103	(153)	(50)
Comprehensive income (loss) for FY2019	-	-	-	(1,393)	(4,593)	179,170	182,370	1,526	183,896
<i>At 31 December 2019</i>	55,460	11,323	96,733	(7,358)	7,735	885,446	1,049,339	5,735	1,055,074
Recognition in income statement of fair value of stock options granted and exercisable	-	-	1,919	-	-	-	1,919	-	1,919
Purchase of treasury shares	(837)	-	(47,650)	-	-	-	(48,487)	-	(48,487)
Transfer of treasury shares to stock option beneficiaries	584	-	13,896	-	-	-	14,480	-	14,480
Transfer of treasury shares as payment for equity investments	254	-	13,796	-	-	-	14,050	-	14,050
Minorities of subsidiaries consolidated for the first time	-	-	-	-	-	-	-	4,267	4,267
Dividends paid	-	-	-	-	-	(26,898)	(26,898)	(1,362)	(28,260)
Dividends resolved	-	-	-	-	-	-	-	(30)	(30)
Comprehensive income (loss) for FY2020	-	-	-	(859)	(34,946)	150,440	114,635	1,802	116,437
<i>At 31 December 2020</i>	55,461	11,323	78,694	(8,217)	(27,211)	1,008,988	1,119,038	10,412	1,129,450

Fine Comunicato n.0159-6

Numero di Pagine: 16