

Informazione Regolamentata n. 0159-20-2023	Data/Ora Ricezione 15 Maggio 2023 12:08:53	Euronext Star Milan
---	---	----------------------------

Societa' : INTERPUMP GROUP
Identificativo : 176978
Informazione
Regolamentata
Nome utilizzatore : INTERPUMPN03 - Cugnasca
Tipologia : REGEM
Data/Ora Ricezione : 15 Maggio 2023 12:08:53
Data/Ora Inizio : 15 Maggio 2023 12:08:54
Diffusione presunta
Oggetto : IP - 1Q2023 Results

Testo del comunicato

Group Board approved 1Q2023 Financial Results



**INTERPUMP APPROVES THE
CONSOLIDATED RESULTS FOR 1Q2023**

Net sales: €592.3 million, +21.2% compared with 1Q2022
(+19.4% at unchanged perimeter and +18.7% with the same exchange rates as well)

EBITDA: €149.6 million, +31.0% compared with 1Q2022,
and an **EBITDA margin** of **25.3%** compared with 23.4% in the same period of 2022

Consolidated net profit: €86.0 million, +30.2% compared with 1Q2022

Net financial position: €533.9 million compared with €541.8 million at 31 December 2022
(in the period: **investment** of €40.1 million and **acquisitions** of €7.3 million)

Executive Chairman Fulvio Montipò:

“The results for the first quarter confirm and strengthen our standards of excellence. Despite the continued challenges facing the business environment, all indicators known to us suggest that 2023 will be another good year, quite possibly outperforming the guidance”

Sant’Ilario d’Enza (RE), 15 May 2023 – The Board of Directors of Interpump Group S.p.A., meeting today under the chairmanship of Fulvio Montipò, approved the consolidated Q1 2023 Interim Report.



INTERPUMP GROUP

CONSOLIDATED RESULTS FOR Q1 2023

Net sales

Net sales totaled €592.3 million in Q1 2023, an increase of 21.2% from €488.7 million in the corresponding period of 2022 (+19.4% growth at unchanged perimeter¹). At operating sector level within the Group, Hydraulics grew by 22.4% (+20.0% at unchanged perimeter) while Water-Jetting grew by 17.8%.

Turnover by business sector and geographical area were as follows:

Q1 2023

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Far East and Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
Hydraulics	85,432	164,380	118,873	43,659	34,140	446,484
Water-Jetting	<u>14,108</u>	<u>54,596</u>	<u>46,281</u>	<u>14,674</u>	<u>16,202</u>	<u>145,861</u>
Total	<u>99,540</u>	<u>218,976</u>	<u>165,154</u>	<u>58,333</u>	<u>50,342</u>	<u>592,345</u>

Q1 2022

Hydraulics	68,133	135,617	92,818	38,093	30,188	364,849
Water-Jetting	<u>12,740</u>	<u>40,856</u>	<u>45,212</u>	<u>13,770</u>	<u>11,253</u>	<u>123,831</u>
Total	<u>80,873</u>	<u>176,473</u>	<u>138,030</u>	<u>51,863</u>	<u>41,441</u>	<u>488,680</u>

2023/2022 percentage changes

Hydraulics	+25.4%	+21.2%	+28.1%	+14.6%	+13.1%	+22.4%
Water-Jetting	+10.7%	+33.6%	+2.4%	+6.6%	+44.0%	+17.8%
Total	+23.1%	+24.1%	+19.7%	+12.5%	+21.5%	+21.2%

The Group achieved organic growth² of 18.7%, with Hydraulics and Water-Jetting up by 19.5% and 16.1% respectively.

Profitability

EBITDA totaled €149.6 million in Q1 2023, up by 31.0% compared with €114.2 million in the corresponding period of 2022 (+28.9% at unchanged perimeter) and representing 25.3% of sales (25.2% at unchanged perimeter), compared with 23.4% in Q1 of the prior year.³

¹ Compared with the corresponding period of 2022, the change in perimeter relates to Draintech, Eurofluid and Indoshell Automotive System India: the first two acquisitions were made in the prior year and consolidated from June and November 2022 respectively, while the third was completed this February with an effective acquisition date of 31 March 2023, thus limiting its effects on the quarter to the financial position. All the above companies are consolidated by the Hydraulics division of the Group.

² Same scope of consolidation and exchange rates.

³ In March this year, the Group received the balance of the insurance reimbursement - €9 million - due following the fire in May 2022 that seriously damaged one of the plants operated by I.M.M., the Romanian subsidiary. The portion relating to the quarter just ended - €3.6 million - has been recognized as "Other income", while the remainder will be recognized in Q2: at present, reconstruction work by the Group is still in progress, with likely completion during the



INTERPUMP GROUP

The following table sets out EBITDA by business sector:

	<i>Q1 2023</i>	<i>% on</i>	<i>Q1 2022</i>	<i>% on</i>	
	<u>€/000</u>	<i>total</i>	<u>€/000</u>	<i>total</i>	<i>Increase/ Decrease</i>
		<i>sales⁴</i>		<i>sales⁴</i>	
Hydraulics	108,727	24.3%	79,191	21.7%	+37.3%
Water-Jetting	<u>40,915</u>	27.8%	<u>35,018</u>	28.0%	+16.8%
Total	<u>149,642</u>	25.3%	<u>114,209</u>	23.4%	+31.0%

The significant improvement, both in absolute terms and as a percentage of sales, reflects the robust increase in turnover and the lasting consequences of the effective countermeasures adopted by the Group in the prior year to counter inflationary pressures, as well as the steady progress made by White Drive in terms of profitability.

EBIT totaled €124.6 million in Q1 2023, up by 34.5% from €92.6 million and representing 21.0% of sales, compared with 19.0% in the corresponding period of the prior year.

Q1 closed with a **consolidated net profit** of €86.0 million compared with €66.1 million in the corresponding period of 2022, reflecting growth of 30.2%. **Basic earnings per share** were €0.796 compared with €0.616 in Q1 of the prior year.

Capital employed at 30 March 2023 amounts to €2,241.8 million, compared with €2,170.7 million at 31 December 2022. There are two main reasons for this phenomenon: the significant rise in turnover, which has naturally changed the level of trade receivables and inventories, and the steady progress of the investment program launched at the end of 2021 to expand the productive capacity of the Group.

Financial situation

The **net liquidity generated from operations** was €131.3 million (€108.8 million in Q1 2022) and the **free cash flow** of €14.1 million was more than double the €5.8 million generated in the corresponding period of the prior year⁵. This confirms the constant efforts made by the Group to

summer leading to the restart of production. For completeness, the overall accounting impact of this 2022 event was €2.3 million in non-recurring costs.

⁴ Total sales include those made to other Group companies, while the sales analyzed previously comprised solely those external to the Group; accordingly, for consistency, the percentage has been calculated on total sales rather than on those reported previously.

⁵ "Liquidity generated from operations" includes the final insurance reimbursement of €9 million collected during the period that, by the end of Q1, had already been fully absorbed by work linked to the restart of productive activities.



balance appropriately the support provided to grow turnover and increase medium/long-term productive capacity, while also assuring cash generation.

The **net financial position** at 31 March 2023 was €533.9 million, compared with €541.8 million at 31 December 2022. The resources of the Group were mostly dedicated to development work during the period, with expenditure of €47.4 million: investment of €40.1 million and acquisitions⁶ of €7.3 million.⁷ At 31 March, the Group had commitments for the acquisition of stakes in subsidiaries totaling €65.0 million, compared with €62.8 million at 31 December 2022.

With regard to the above-mentioned acquisition of stakes in subsidiaries, on 20 February 2023 the Group announced the acquisition of 85% of the capital of Indoshell Automotive System India P.L., an Indian company specialized in the casting of ferrous and non-ferrous metals. The ability of Interpump to procure castings - a fundamental raw material for the “valves” sector and important for many other sectors within the Group - is strengthened by this operation.

At 31 March 2023 Interpump Group S.p.A. held 1,972,363 **treasury shares**, representing 1.812% of share capital, acquired at an average unit cost of EUR 38.7871.

EVENTS OCCURRING AFTER THE END OF Q1 2023

On 20 April 2023, the Group announced the acquisition of 70% of I.Mec S.r.l., company specialized in the production of mechanical sifters, being vibrating devices for the granulometric selection of materials. The company closed 2022 with a turnover of about €17 million and an EBITDA margin of around 23%. The value of this operation has been fixed at approximately €14 million.⁸ This operation enables the Group to continue its diversification and development in the area of flow handling.

On 28 April 2023 the new Board of Directors granted operational powers to Chairman Fulvio Montipò, appointed Fabio Marasi as the Chief Executive Officer of the Group and defined and established the various Board committees, including the newly-formed Sustainability Committee.

⁶ Acquisition of equity investments, including the net debt received and excluding the treasury shares assigned.

⁷ During the period, the Group also paid dividends to shareholders and third parties totaling €0.4 million and collected €0.4 million from the sale of treasury shares to the beneficiaries of stock option plans.

⁸ Equity value of the investment in 70% of the company. The “put & call” mechanisms have already been established, so that the counterparties can purchase and sell the residual equity interest from April 2026.



UPDATE ON IMPLEMENTATION OF THE ESG PLAN FOR 2023-2025

In relation to the ESG Plan approved on 5 October 2022, a number of actions envisaged for the current year have already been taken. These seek to embed the fundamental ESG principles within the Group’s strategies and create, during the period 2023-24, an organizational framework that recognizes the underlying core values:

1. G.1, revision of the Code of Ethics: the principles of sustainability defined in the ESG Plan have been incorporated and the new version has been adopted by all Interpump Group companies;
2. G.2, established of a Board Sustainability Committee: this committee comprises the Chief Executive Officer of the Group and two independent directors

ESG PLAN 2023-25		
ACTIONS 2023		Notes
E.1	Definition of a carbon neutrality strategy	
E.4	Pilot project in the circular economy field	
S.5	Preparation of supplier rating model, applying environmental and social criteria	
G.1	Establishment of a Board Sustainability Committee	Shareholders’ Meeting, 28 April 2023
G.2	Revision of the Code of Ethics	Board of Directors, 10 November 2022
G.3	Succession plan formalization	Shareholders’ Meeting, 28 April 2023: <ul style="list-style-type: none"> • Separation of Chairman and CEO roles • Appointment of Chief Executive Director
G.5 ⁹	Annual update of information required GRI 207-4 on Country-by-Country Reporting	
G.6 ⁹	Communication of ESG Plan implementation	

BUSINESS OUTLOOK

The results for Q1 were particularly good and, considering the other data available to the Group, it is possible to foresee - adopting a responsible prudential approach - results for 2023 that exceed expectations.

S. Ilario d’Enza (RE), 15 May 2023

For the Board of Directors
The Chairman
Fulvio Montipò

⁹ This objective is addressed annually during the Plan period.



INTERPUMP GROUP



Mauro Barani, the manager responsible for drafting the company's accounting documents, declares - pursuant to art. 154-(2), subsection 2, TUF - that the accounting disclosures in this press release correspond to the contents of the underlying documents, the accounting books and the accounting entries.

* * *

This press release contains, or may contain, forward-looking statements that are based on current expectations and projections made by the Interpump Group with regard to future events. By their nature, these are inherently subject to a degree of risk and uncertainty. Such declarations relate to events and depend on circumstances that may or may not occur in the future and, as such, it would be inappropriate to rely on them unduly. Actual results may differ significantly from those envisaged in such declarations for many reasons, including the constant volatility and further deterioration of the capital and financial markets, changes in macroeconomic conditions and economic growth, other changes in business conditions, changes in regulations and in the institutional context (in both Italy and other countries), and a large number of additional factors, the majority of which are beyond the control of the Group.

* * *

Pursuant to art. 65-(2) (subsection 2) of Consob resolution 11971/1999 as modified and supplemented, the Interim Report at 31 March 2023 will be made available to the public at the registered office and may also be consulted on the "Financial Statements and Reports" page of the "Investor relations" section of the corporate website www.interpumpgroup.it, as well as on the website of the authorized repository www.emarketstorage.com.

The corporate website will also provide access to several slides presenting the results for Q1 2023 that will be illustrated today at 4 p.m. CET during a conference call and audio webcast with the financial community.

* * *

Media Relations:

Moccagatta Associati
segreteria@moccagatta.it
Tel. +39 02 8645.1695

Investor Relations:

Elisabetta Cugnasca
ecugnasca@interpumpgroup.it
Tel. +39 0522-904433



INTERPUMP GROUP

Consolidated income statement for Q1 2023

(€/000)	<u>2023</u>	<u>2022</u>
Revenues	592,345	488,680
Cost of sales	(380,971)	(317,955)
Gross industrial margin	211,374	170,725
Other operating income	10,332	7,554
Distribution expenses	(42,191)	(36,844)
General and administrative expenses	(53,640)	(47,830)
Other operating costs	(1,279)	(960)
EBIT	124,596	92,645
Financial income	5,894	6,724
Financial charges	(16,134)	(9,142)
Equity method contribution	150	164
Profit for the period before taxes	114,506	90,391
Income taxes	(28,472)	(24,323)
Consolidated profit for the period	86,034	66,068
Attributable to:		
Shareholders of Parent	85,121	65,405
Minority shareholders of subsidiaries	913	663
Consolidated profit for the period	86,034	66,068
Basic earnings per share	0.796	0.616
Diluted earnings per share	0.793	0.610



Consolidated statement of comprehensive income for Q1 2023

(€/000)	<u>2023</u>	<u>2022</u>
Consolidated profit (A)	86,034	66,068
Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit or loss		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	(10,760)	10,532
<i>Profits (Losses) of companies carried at equity</i>	103	(230)
<i>Applicable taxes</i>	—	—
Total other comprehensive income (losses) which will subsequently be reclassified to consolidated profit, net of the tax effect (B)	<u>(10,657)</u>	<u>10,302</u>
Comprehensive consolidated profit for the period (A) + (B)	<u>75,377</u>	<u>76,370</u>
Attributable to:		
Shareholders of Parent	74,615	75,799
Minority shareholders of subsidiaries	762	571
Comprehensive consolidated profit for the period	<u>75,377</u>	<u>76,370</u>



Consolidated statement of financial position at 31 March 2023

(€/000)	<u>31/03/2023</u>	<u>31/12/2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	336,734	358,275
Trade receivables	478,703	433,812
Inventories	705,242	683,819
Tax receivables	44,659	45,133
Other current assets	36,167	33,983
Total current assets	<u>1,601,505</u>	<u>1,555,022</u>
Non-current assets		
Property, plant and equipment	700,758	681,095
Goodwill	759,184	754,944
Other intangible assets	60,469	61,863
Other financial assets	2,588	2,961
Tax receivables	5,021	5,051
Deferred tax assets	65,402	66,184
Other non-current assets	3,195	2,648
Total non-current assets	<u>1,596,617</u>	<u>1,574,746</u>
Assets held for sale	<u>1,291</u>	<u>1,291</u>
Total assets	<u>3,199,413</u>	<u>3,131,059</u>



INTERPUMP GROUP

(€/000)

LIABILITIES

Current liabilities

	<u>31/03/2023</u>	<u>31/12/2022</u>
Trade payables	315,187	312,222
Payables to banks	39,436	30,928
Interest-bearing financial payables (current portion)	272,175	288,456
Tax liabilities	66,815	60,662
Other current liabilities	130,176	111,553
Provisions for risks and charges	13,327	13,329
Total current liabilities	<u>837,116</u>	<u>817,150</u>

Non-current liabilities

Interest-bearing financial payables	559,014	580,675
Liabilities for employee benefits	20,436	20,088
Deferred tax liabilities	56,843	56,947
Tax liabilities	353	355
Other non-current liabilities	69,672	76,745
Provisions for risks and charges	13,106	12,989
Total non-current liabilities	<u>719,424</u>	<u>747,799</u>
Total liabilities	<u>1,556,540</u>	<u>1,564,949</u>

SHAREHOLDERS' EQUITY

Share capital	55,594	55,584
Legal reserve	11,323	11,323
Share premium reserve	41,139	39,444
Remeasurement reserve for defined benefit plans	(5,320)	(5,320)
Translation reserve	7,873	18,379
Other reserves	1,519,259	1,434,138
Group shareholders' equity	<u>1,629,868</u>	<u>1,553,548</u>
Non-controlling interests	13,005	12,562
Total shareholders' equity	<u>1,642,873</u>	<u>1,566,110</u>
Total shareholders' equity and liabilities	<u>3,199,413</u>	<u>3,131,059</u>



Consolidated cash flow statement at 31 March 2023

(€/000)	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Profit before taxes	114,506	92,058
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(1,198)	(1,821)
Amortization and depreciation, impairment and reinstatement of assets	24,410	21,449
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	1,263	783
Losses (profits) from investments	(150)	(164)
Net change in risk provisions and allocations to employee benefit provisions	574	243
Expenditures for tangible assets to be leased	(3,909)	(608)
Proceeds from the disposal of leased tangible assets	2,119	3,437
Net financial charges (revenues)	10,240	752
	147,855	116,129
(Increase) decrease in trade receivables and other current assets	(46,180)	(39,461)
(Increase) decrease in inventories	(26,874)	(47,326)
Increase (decrease) in trade payables and other current liabilities	3,038	13,323
Interest paid	(4,966)	(1,032)
Realized exchange differences	(1,500)	(143)
Taxes paid	(10,125)	(6,106)
Net cash from operating activities	61,248	35,384
Cash flows from investing activities		
Payments for the purchase of investments, net of cash received and net of treasury shares assigned	(7,269)	(122)
Capital expenditure on property, plant and equipment	(39,576)	(22,778)
Proceeds from the sale of tangible fixed assets	684	344
Increase in intangible assets	(1,234)	(1,555)
Financial income received	509	98
Other	(501)	(663)
Net cash (used in) investing activities	(47,387)	(24,676)
Cash flows from financing activities		
Disbursements (repayments) of loans	(37,533)	(26,930)
Dividends paid	(441)	(357)
Disbursements for purchase of treasury shares	0	(49,350)
Proceeds from the sale of treasury shares to stock option beneficiaries	442	8,017
Change in other financial assets	(46)	(3)
Payment of finance lease installments (principal)	(5,065)	(4,900)
Net cash generated by (used in) financing activities	(42,643)	(73,523)
Net increase (decrease) in cash and cash equivalents	(28,782)	(62,815)



INTERPUMP GROUP

(€/000)	<u>2023</u>	<u>2022</u>
Net increase (decrease) in cash and cash equivalents	(28,782)	(62,815)
Translation differences for cash held by non-EU companies	(1,267)	1,598
Opening cash and cash equivalents of companies consolidated on a line-by-line basis for the first time	-	-
Cash and cash equivalents at the beginning of the period	327,347	341,255
Cash and cash equivalents at the end of the period	<u>297,298</u>	<u>280,038</u>

Cash and cash equivalents consist of the following:

	<u>2023</u>	<u>2022</u>
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	336,734	358,275
Bank payables (overdrafts and subject to collection advances)	<u>(39,436)</u>	<u>(30,928)</u>
Cash and cash equivalents as per the consolidated cash flow statement	<u>297,298</u>	<u>327,347</u>



Statement of changes in consolidated shareholders' equity at 31 March 2023

(€/000)	Share capital	Legal reserve	Share premium reserve	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholde rs' equity	Non- controlling interests	Total
At 1 January 2022	55,327	11,323	66,472	(8,170)	6,013	1,197,234	1,328,199	11,465	1,339,664
Recognition in income statement of fair value of stock options granted and exercisable	-	-	783	-	-	-	783	-	783
Purchase of treasury shares	(515)	-	(48,835)	-	-	-	(49,350)	-	(49,350)
Transfer of treasury shares to stock option beneficiaries	324	-	7,693	-	-	-	8,017	-	8,017
Assignment of treasury shares as payment for equity investments	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Dividends resolved	-	-	-	-	-	-	-	(924)	(924)
Comprehensive profit (loss) for Q1 2022	-	-	-	-	10,394	65,405	75,799	571	76,370
Balances at 31 March 2022	55,136	11,323	26,113	(8,170)	16,407	1,262,639	1,363,448	11,112	1,374,560
Recognition in income statement of fair value of stock options granted and exercisable	-	-	4,212	-	-	-	4,212	-	4,212
Purchase of treasury shares	(567)	-	(44,876)	-	-	-	(45,443)	-	(45,443)
Transfer of treasury shares to stock option beneficiaries	1,015	-	53,995	-	-	-	55,010	-	55,010
Assignment of treasury shares as payment for equity investments	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	(75)	-	65	(10)	(534)	(544)
Dividends paid	-	-	-	-	-	(29,658)	(29,658)	(586)	(30,244)
Dividends resolved	-	-	-	-	-	-	-	-	-
Comprehensive profit (loss) for April-December 2022	-	-	-	2,925	1,972	201,092	205,989	2,570	208,559
At 31 December 2022	55,584	11,323	39,444	(5,320)	18,379	1,434,138	1,553,548	12,562	1,566,110
Recognition in income statement of fair value of stock options granted and exercisable	-	-	442	-	-	-	442	-	442
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Transfer of treasury shares to stock option beneficiaries	10	-	1,253	-	-	-	1,263	-	1,263
Assignment of treasury shares as payment for equity investments	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(24)	(24)
Dividends resolved	-	-	-	-	-	-	-	(295)	(295)
Comprehensive profit (loss) for Q1 2023	-	-	-	-	(10,506)	85,121	74,615	762	75,377
Balances at 31 March 2023	55,594	11,323	41,139	(5,320)	7,873	1,519,259	1,629,868	13,005	1,642,873

Fine Comunicato n.0159-20

Numero di Pagine: 15