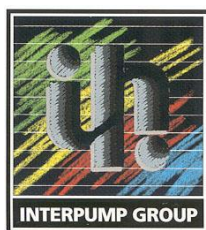


# **Interim Board of Directors' Report for 3Q2023**



**Interpump Group S.p.A. and subsidiaries**

*Interim Board of Directors' Report at 30 September 2023 – Interpump Group*

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This document can be accessed on the Internet at:

[www.interpumpgroup.it](http://www.interpumpgroup.it)

**Interpump Group S.p.A.**

Registered office in S. Ilario d'Enza (Reggio Emilia), Via Enrico Fermi 25

Paid-up Share Capital: Euro 56,617,232.88

Reggio Emilia Companies Register - Tax Code 11666900151

*Interim Board of Directors' Report at 30 September 2023 – Interpump Group*

## **Board of Directors**

Fulvio Montipò  
*Executive Chairman*

Giovanni Tamburi (b)  
*Deputy Chairman*

Fabio Marasi (d)  
*Chief Executive Officer*

Antonia Di Bella (a) (c)  
*Independent Director*

Nicolò Dubini (a) (c)  
*Independent Director*

Marcello Margotto (b)  
*Independent Director*  
*Lead Independent Director*

Federica Menichetti (a) (b) (c)  
*Independent Director*

Roberta Pierantoni  
*Independent Director*

Rita Rolli (d)  
*Independent Director*

Anna Chiara Svelto (d)  
*Independent Director*

## **Board of Statutory Auditors**

Anna Maria Allievi  
*Chairman*

Mario Tagliaferri  
*Statutory Auditor*

Mirco Zucca  
*Statutory Auditor*

## **Independent Auditors**

PricewaterhouseCoopers S.p.A.

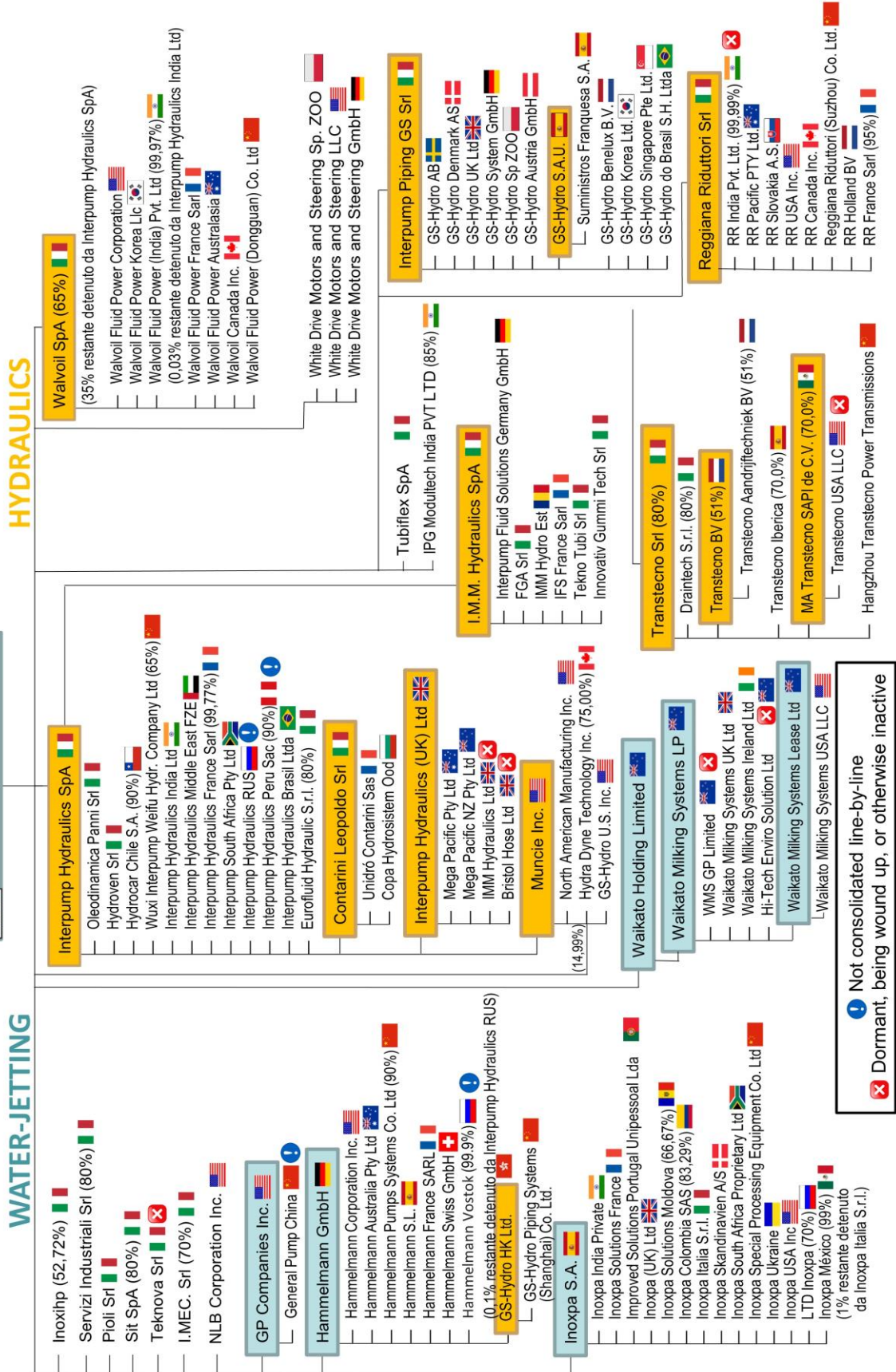
- (a) *Member of the Audit and Risks Committee*
- (b) *Member of the Remuneration Committee and the Appointments Committee*
- (c) *Member of the Related Party Transactions Committee*
- (d) *Member of the Sustainability Committee*

*Interim Board of Directors' Report at 30 September 2023 – Interpump Group*

**Group Structure**

as at 30/09/2023

all holdings 100% unless otherwise specified



*Interim Board of Directors' Report at 30 September 2023 – Interpump Group*



## **Interim Board of Directors' Report**

*Interim Board of Directors' Report at 30 September 2023 – Interpump Group*

**Directors' remarks on performance  
in the first nine months of 2023**

## PERFORMANCE INDICATORS

The Group uses several alternative measures that are not identified as accounting parameters in the framework of IFRS standards, to allow better evaluation of the trend of economic operations and the Group's financial position. Such indicators are also tools that assist the directors in identifying operating trends and in making decisions on investments, resource allocation and other business matters. Therefore, the measurement criterion applied by the Group may differ from the criteria adopted by other groups and hence may not be comparable with them. Such alternative performance indicators are constituted exclusively starting from the Group's historical data and measured in compliance with the matters established by the Guidelines on Alternative Performance Measures issued by ESMA/2015/1415 and adopted by Consob with communication no. 92543 of 3 December 2015. These indicators refer only to performance in the period illustrated in this Interim Board of Directors' Report and the comparative periods and not to expected performance and must not be taken to replace the indicators required by the reference accounting standards (IFRS). Finally, the alternative indicators are processed consistently, using the same definitions and presentations for all periods for which financial information is included in this Interim Board of Directors' Report.

The performance indicators used by the Group are defined as follows:

- **Earnings/(Losses) before interest and tax (EBIT):** Revenues plus Other operating income less Operating costs (Cost of sales, Distribution costs, General and administrative expenses, and Other operating costs);
- **Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA):** EBIT plus depreciation, amortization, writedowns and provisions;
- **Net financial position:** the sum of Loans obtained and Bank borrowing less Cash and cash equivalents;
- **Net indebtedness:** the sum of the Net financial position and Debts for the acquisition of equity investments;
- **Capital expenditure (CAPEX):** the sum of investment in property, plant and equipment and intangible assets, net of divestments;
- **Free cash flow:** the cash flow available for the Group, defined as the difference between the cash flow deriving from operating activities and the cash outflow for investments in tangible and intangible fixed assets;
- **Capital employed:** calculated as the sum of shareholders' equity and net financial position, including debts for the acquisition of equity investments;
- **Return on capital employed (ROCE):**  $EBIT / \text{Capital employed}$ ;
- **Return on equity (ROE):**  $\text{Net profit} / \text{Shareholders' equity}$ .

The Group's income statement is prepared by functional area (also called the "cost of sales" method). This form is deemed to be more representative than its "type of expense" counterpart, which is nevertheless included in the notes to the Annual Financial Report. The chosen form, in fact, complies with the internal reporting and business management methods.

The cash flow statement was prepared using the indirect method.

## Consolidated income statements for the first nine months

(€/000)	<u>2023</u>	<u>2022</u>
<b>Revenues</b>	<b>1,720,442</b>	<b>1,544,939</b>
Cost of sales	(1,113,270)	(1,008,462)
<b>Gross industrial margin</b>	<b>607,172</b>	<b>536,477</b>
<i>% of revenues</i>	<i>35.3%</i>	<i>34.7%</i>
Other operating income	31,225	32,167
Distribution expenses	(125,783)	(116,277)
General and administrative expenses	(161,194)	(146,991)
Other operating costs	(4,431)	(15,243)
<b>EBIT</b>	<b>346,989</b>	<b>290,133</b>
<i>% of revenues</i>	<i>20.2%</i>	<i>18.8%</i>
Financial income	20,332	26,274
Financial charges	(49,555)	(25,171)
Equity method contribution	484	115
<b>Profit for the period before taxes</b>	<b>318,250</b>	<b>291,351</b>
Income taxes	(77,684)	(76,618)
<b>Consolidated profit for the period</b>	<b>240,566</b>	<b>214,733</b>
<i>% of revenues</i>	<i>14.0%</i>	<i>13.9%</i>
<b>Attributable to:</b>		
Shareholders of Parent	238,202	212,557
Minority shareholders of subsidiaries	2,364	2,176
<b>Consolidated profit for the period</b>	<b>240,566</b>	<b>214,733</b>
<b>EBITDA</b>	<b>425,639</b>	<b>365,123</b>
<i>% of revenues</i>	<i>24.7%</i>	<i>23.6%</i>
Shareholders' equity	1,773,063	1,497,751
Net financial position	526,138	603,753
Debts for the acquisition of equity investments	75,116	53,282
Capital employed	2,374,317	2,154,786
<b>Unannualized ROCE</b>	<b>14.6%</b>	<b>13.5%</b>
<b>Unannualized ROE</b>	<b>13.6%</b>	<b>14.3%</b>
<b>Basic earnings per share</b>	<b>2.228</b>	<b>2.013</b>

## SIGNIFICANT EVENTS IN THE FIRST NINE MONTHS

After a better start to 2023 than was expected, given the fall in energy prices and the re-opening of China, the forecasts for global growth have moderated.

The effects of the restrictive monetary policies adopted in recent months have become increasingly visible, both in the United States and in Europe, with business and consumer confidence starting to sag.

Economic activity in China is hampered by heightened difficulties in the real estate sector and by deflationary risks, requiring the implementation of economic support policies that might not prove to be entirely successful.

Internationally therefore, leading countries find themselves at different stages in their economic cycles, with rising uncertainty about whether or not the inflation rate will continue to slow.

This last factor is affected by the upturn in energy commodity prices, spurred in part by recent geopolitical tensions in the Middle East.

Despite current uncertainties in the macroeconomic environment, the Interpump Group continues to report excellent results.

In this context, the limited exposure to countries involved in the Russia-Ukraine conflict is confirmed. Specifically, € 16.5 million was invoiced to customers in Russia, Belarus and Ukraine during the first nine months of 2023, with outstanding receivables at 30 September 2023 of € 1.9 million.

Revenues reached € 1,720.4 million, up by 11.4% compared with 3Q2022YTD when they totaled € 1,544.9 million. Analysis by business sector shows that revenues in the Hydraulic Sector rose by 10.5% with respect to 3Q2022YTD, while those in the Water-Jetting Sector were 14.0% greater.

EBITDA was € 425.6 million (24.7% of revenues). In 3Q2022YTD EBITDA amounted to € 365.1 million (23.6% of revenues), so 16.6% growth was achieved.

Net profit was € 240.6 million in 3Q2023YTD (€ 214.7 million in 3Q2022YTD), up by 12.0%.

The Group continues to monitor and manage inventories with great care, while pushing ahead with major planned investments. Despite this and thanks to a more than proportionate reduction in working capital, the free cash flow generated during 3Q2023YTD totaled € 100.7 million, compared with € 22.5 million in the first nine months of 2022.

The net financial position at 30 September 2023 totals € 526.1 million (€ 603.8 million at 30 September 2022), primarily after paying dividends of € 34.4 million and making net investments of € 57.4 million to acquire equity investments and residual minority interests.

Compared with 3Q2022YTD, the consolidation now includes Eurofluid Hydraulic S.r.l., which was acquired in October 2022 and consolidated in full from 31 October 2022.

Again in the Hydraulic sector, on 20 February 2023 Interpump Group announced the acquisition of 85% of the capital of Indoshell Automotive System India P.L. (now IPG Mouldtech India Pvt Ltd.). This company was previously owned by Indoshell Mould Limited, an Indian Group specialized in the smelting of ferrous and non-ferrous metals (cast iron and aluminum). Company output is expected to total about 8,000 tonnes by the end of 2023, with estimated revenues of about € 12 million and an EBITDA of about € 2 million. The value of this operation was fixed at around € 8 million and put option mechanisms were defined, through which Interpump Group can acquire the remaining 15% interest from Indoshell Mould Limited. The company has been

consolidated on a line-by-line basis from 31 March 2023 and, therefore, has contributed to the consolidated results for six months.

Minority interests in a number of companies were acquired during 3Q2023, specifically in: Hangzhou Transtecno Power Transmission, thus raising Group ownership to 100% (from 72%), as well as in Transtecno Iberica and MA Transtecno S.A.P.I., which are now both 70% owned (up from 50.4%).

During the period, agreement was also reached for the partial early exercise of the options to purchase/sell the minority interests in Hydra Dyne, which is now 89.99% owned. The related “put and call” mechanisms were also redefined, enabling the counterparties to purchase/sell the remaining 10.01% equity interest following approval of the 2028 financial statements.

With regard to the Water-Jetting sector:

On 20 April 2023, the Group announced the acquisition of 70% of the capital I.Mec S.r.l., which specializes in the production of mechanical sifters and vibrating devices for the granulometric selection of materials, mainly for industries active in the ceramics, recycling, filtration, food processing and cosmetics sectors. The company closed 2022 with revenues of about € 17 million and an EBITDA margin of around 23%. The value of this operation has been fixed at approximately € 14 million and “put and call” mechanisms have defined, through which the counterparties can purchase and sell the remaining 30%.

On 18 May 2023, the Group announced acquisition of the entire capital of the Waikato Group that, with more than 50 years of history, leads the automated milking market in New Zealand and Australia. This reflects the constant development and technological innovation that has enabled progression from the design and production of components in the late 1970s, to the current offer of automated and integrated systems. The company closed 2022<sup>1</sup> with revenues of almost NZ\$ 80 million (about € 48 million) and an EBITDA margin of around 14%. The total value of the transaction was set at about € 30 million.

Both new acquisitions have been consolidated on a line-by-line basis from 31 May 2023 and, therefore, have contributed to the consolidated results for four months.

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<sup>1</sup> Financial year from April 2022 to March 2023

## REVENUES

Revenues in 3Q2023YTD totaled € 1,720.4 million, up by 11.4% compared with € 1,545.0 million in the same period of 2022 (+8.8% at unchanged perimeter and +10.4% also net of exchange differences).

Revenues 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>3Q2023YTD</i>						
Hydraulics	234,495	457,631	341,521	126,871	108,118	1,268,636
Water-Jetting	<u>47,367</u>	<u>162,663</u>	<u>141,901</u>	<u>55,863</u>	<u>44,012</u>	<u>451,806</u>
Total	<u>281,862</u>	<u>620,294</u>	<u>483,422</u>	<u>182,734</u>	<u>152,130</u>	<u>1,720,442</u>
<i>3Q2022YTD</i>						
Hydraulics	207,490	412,730	307,531	125,074	95,629	1,148,454
Water-Jetting	<u>38,545</u>	<u>134,172</u>	<u>146,984</u>	<u>44,432</u>	<u>32,352</u>	<u>396,485</u>
Total	<u>246,035</u>	<u>546,902</u>	<u>454,515</u>	<u>169,506</u>	<u>127,981</u>	<u>1,544,939</u>
2023/2022 percentage changes						
Hydraulics	+13.0%	+10.9%	+11.1%	+1.4%	+13.1%	+10.5%
Water-Jetting	+22.9%	+21.2%	-3.5%	+25.7%	+36.0%	+14.0%
Total	+14.6%	+13.4%	+6.4%	+7.8%	+18.9%	+11.4%

The changes at unchanged perimeter are as follows:

2023/2022 percentage changes						
Hydraulics	+9.9%	+7.2%	+11.1%	+1.4%	+11.9%	+8.5%
Water-Jetting	+11,7%	+18,7%	-5,3%	+12,4%	+34,9%	+9,8%
Total	+10.2%	+10.0%	+5.8%	+4.3%	+17.7%	+8.8%

## PROFITABILITY

The cost of sales accounted for 64.7% of revenues (65.3% in 3Q2022YTD). Production costs, which totaled € 445.5 million (€ 401.3 million in 3Q2022YTD, which however did not include the costs of Eurofluid Hydraulic S.r.l., I.MEC S.r.l., IPG Mouldtech India Pvt Ltd, the Waikato Group, and 5 months of Draintech S.r.l.), accounted for 25.9% of revenues (26.0% in the equivalent period of 2022). At unchanged perimeter, production costs were 25.8% of revenues (0.2% of revenues lower than in the same period of 2022). The purchase cost of raw materials and components sourced on the market, including changes in inventories, was € 667.7 million (€ 607.2 million in the equivalent period of 2022, which however did not include the costs of Eurofluid Hydraulic S.r.l., I.MEC S.r.l., IPG Mouldtech India Pvt Ltd, the Waikato Group, and 5 months of Draintech S.r.l.). The incidence of purchase costs, including changes in inventories, was 38.8% compared to 39.3% in 3Q2022YTD.



At unchanged perimeter, distribution costs were 5.5% higher than in 3Q2022YTD, but their incidence on revenues fell by 0.2 percentage points.

Also at unchanged perimeter, general and administrative expenses rose by 6.6% with respect to 3Q2022YTD, while their incidence on revenues was 0.2 percentage points lower.

Payroll costs totaled € 348.6 million (€ 316.4 million in 3Q2022YTD, which however did not include the costs of Eurofluid Hydraulic S.r.l., I.MEC S.r.l., IPG Mouldtech India Pvt Ltd, the Waikato Group, and 5 months of Drintech S.r.l.). At unchanged perimeter, payroll costs amounted to € 342.2 million, up by 8.1% due to a 3.7% rise in per capita cost and an increase in the average headcount by 372 employees. The average total number of Group employees in 3Q2023YTD was 9,295 (9,068 at unchanged perimeter) compared to 8,696 in 3Q2022YTD. Excluding persons employed by the new companies, the increase in average headcount is analyzed as follows: +213 in Europe, +164 in North America and -5 in the Rest of the World. In addition, the Group employed 1,789 temporary workers during the period (1,574 in 3Q2022YTD) at a cost of € 31.4 million (€ 28.7 million in 3Q2022YTD).

EBITDA was € 425.6 million (24.7% of revenues) compared with € 365.1 million in 3Q2022YTD, which represented 23.6% of revenues. The following table sets out EBITDA by business sector:

	<i>3Q2023YTD</i>	<i>% on total</i>	<i>3Q2022YTD</i>	<i>% on total</i>	<i>Increase/</i>
	<i>€/000</i>	<i>revenues*</i>	<i>€/000</i>	<i>revenues*</i>	<i>Decrease</i>
Hydraulics	298,485	23.5%	250,798	21.8%	+19.0%
Water-Jetting	<u>127,154</u>	27.9%	<u>114,325</u>	28.6%	+11.2%
<b>Total</b>	<b><u>425,639</u></b>	<b>24.7%</b>	<b><u>365,123</u></b>	<b>23.6%</b>	<b>+16.6%</b>

\* = Total revenues include those to Group companies in the other sector, while the revenues analyzed previously are exclusively those external to the Group (see note 2 in the explanatory notes). Accordingly, for consistency, the percentage is calculated on total revenues rather than on those reported previously.

EBIT was € 347.0 million (20.2% of revenues) compared with € 290.1 million in 3Q2022YTD (18.8% of revenues), reflecting an increase of 19.6%.

The effective tax rate for the period was 24.4% (26.3% in 3Q2022YTD). This reduction reflects the reversal of earlier tax provisions, € 6.1 million, after receiving a favorable response from the Tax Authorities to a question posed by the Parent Company during 2023.

Net profit in 3Q2023YTD was € 240.6 million (€ 214.7 million in 3Q2022YTD), up by 12%. Basic earnings per share rose 10.7%, from € 2.013 in 3Q2022YTD to € 2.228 in 3Q2023YTD.

Capital employed has increased from € 2,170.7 million at 31 December 2022 to € 2,374.3 million at 30 September 2023. This increase mainly reflects continued implementation of the major investment plan during the period.

Unannualized ROCE was 14.6% (13.5% in 3Q2022YTD). Unannualized ROE was 13.6% (14.3% in 3Q2022YTD).

## CASH FLOW

The change in the Net Financial Position breaks down as follows:

	<i>3Q2023YTD</i>	<i>3Q2022YTD</i>
	<i>€/000</i>	<i>€/000</i>
<b>Opening net financial position</b>	<b>(541,784)</b>	<b>(494,924)</b>
Adjustment: opening net financial position of companies not consolidated line by line at the end of the prior year	<u>(1,274)</u>	<u>-</u>
<b>Adjusted opening net financial position</b>	<b>(543,058)</b>	<b>(494,924)</b>
Cash flows from operating activities	318,790	306,086
Principal portion of leasing installments paid	(15,470)	(20,462)
Cash flow generated (absorbed) by the management of operating capital	(70,302)	(172,939)
Cash flow generated (absorbed) by other current assets and liabilities	(7,297)	(5,439)
Capital expenditure on property, plant and equipment	(121,774)	(79,531)
Proceeds from the sale of property, plant and equipment	2,598	952
Increase in intangible assets	(4,237)	(4,420)
Financial income received	1,865	481
Other	<u>(3,466)</u>	<u>(2,272)</u>
<b>Free cash flow</b>	<b>100,707</b>	<b>22,456</b>
Net acquisition of investments, including received debt and net of treasury shares assigned	(57,383)	(26,656)
Dividends paid	(34,435)	(30,387)
Disbursements for purchase of treasury shares	-	(94,793)
Proceeds from the sale of treasury shares to stock option beneficiaries	2,104	9,591
Principal portion of leasing installments paid	15,470	20,462
Principal portion of new leasing contracts arranged	(8,867)	(10,806)
Restatement and early redemption of leasing contracts	1,199	(454)
Change in other financial assets	<u>(393)</u>	<u>-</u>
<b>Net cash generated (used)</b>	<b>18,402</b>	<b>(110,587)</b>
Exchange differences	<u>(1,482)</u>	<u>1,758</u>
<b>Closing net financial position</b>	<b><u>(526,138)</u></b>	<b><u>(603,753)</u></b>

Net liquidity generated by operations totaled € 318.8 million (€ 306.1 million in 3Q2022YTD), reflecting an increase of 4.2%. Free cash flow increased significantly to € 100.7 million (€ 22.5 million in 3Q2022YTD) despite the continuation of major planned investments, given the reduction in working capital absorption and the impact of the careful inventory management policy implemented during 2022.

Net indebtedness, including payables and commitments, determined in accordance with ESMA guidance 32-382-1138 and included in Consob notice no. 5/21, comprises:

	30/09/2023	31/12/2022	30/09/2022	01/01/2022
	<u>€/000</u>	<u>€/000</u>	<u>€/000</u>	<u>€/000</u>
Cash and cash equivalents	348,982	358,275	347,133	349,015
Payables to banks (advances and STC amounts)	(37,623)	(30,928)	(25,025)	(7,760)
Interest-bearing financial payables (current portion)	(260,277)	(288,456)	(268,843)	(232,213)
Interest-bearing financial payables (non-current portion)	<u>(577,220)</u>	<u>(580,675)</u>	<u>(657,018)</u>	<u>(603,966)</u>
<i>Net financial position</i>	<i>(526,138)</i>	<i>(541,784)</i>	<i>(603,753)</i>	<i>(494,924)</i>
Commitments for the acquisition of investments	<u>(75,116)</u>	<u>(62,812)</u>	<u>(53,282)</u>	<u>(77,794)</u>
<b>Total net indebtedness</b>	<b><u>(601,254)</u></b>	<b><u>(604,596)</u></b>	<b><u>(657,035)</u></b>	<b><u>(572,718)</u></b>

## CAPITAL EXPENDITURE

Expenditure on property, plant and equipment totaled € 154.6 million, of which € 11 million through the acquisition of equity investments (€ 90.4 million in the first nine months of 2022, of which € 0.5 million through the acquisition of equity investments). The additions are analyzed in the following table.

€/000	3Q2023YTD	3Q2022YTD
	<u>€/000</u>	<u>€/000</u>
Increases for the purchase of fixed assets used in the production process	122,734	75,018
Increases for machinery rented to customers	11,855	4,059
Leased assets	<u>8,867</u>	<u>10,806</u>
<i>Capex</i>	143,456	89,883
Increases through the acquisition of equity investments	<u>11,136</u>	<u>483</u>
Total increases in the period	<b><u>154,592</u></b>	<b><u>90,366</u></b>

The increases in 2023 include € 43.9 million invested in land and buildings (€ 24.8 million in 3Q2022YTD).

The difference with respect to the expenditure recorded in the cash flow statement is due to the timing of payments.

Increases in intangible fixed assets amounted to € 17.5 million (€ 20.6 million in 3Q2022YTD), of which € 13 million through the acquisition of equity investments (€ 17 million in 3Q2022YTD).

## **INTERCOMPANY AND RELATED PARTY TRANSACTIONS**

In compliance with the provisions of the Consob regulation adopted with resolution no. 17221 of 12 March 2010, as amended, Interpump Group S.p.A. has adopted the procedure that regulates related party transactions. This procedure was approved for the first time by the Board of Directors on 10 November 2010 and has been continuously updated in accordance with the regulatory provisions in force time by time and adapted to reflect current practices. In particular, on 28 June 2021 the Board of Directors approved a new version that takes account of the effects of Decree 49/2019, which transposed into Italian law the provisions of Directive (EU) 2017/828 (“Shareholders’ Rights II”) with regard to related parties, as well as the related amendments made by CONSOB on 10 December 2020 to the Issuers’ Regulation and the Regulation governing Related Party Transactions. Lastly, on 4 August 2023 the Board of Directors approved a new version of the procedure that reflects the latest regulatory changes, of a minor nature, made since the amendments mentioned above. The new version can be found in the Corporate Governance section of the Interpump website [www.interpumpgroup.it](http://www.interpumpgroup.it). Information on transactions carried out with related parties is given in Note 9 of the interim consolidated financial statements at 30 September 2023. Overall, no atypical or unusual transactions were carried out with related parties during 3Q2023YTD and the transactions that did take place were completed on an arm’s-length basis.

## **CHANGES IN GROUP STRUCTURE DURING 3Q2023YTD**

As described earlier, the scope of consolidation has changed as follows since 31 December 2022:

In the Hydraulics sector, the newly-acquired IPG Mouldtech India Pvt Ltd has been consolidated on a line-by-line basis with effect from 31 March 2023. In addition, Benmec S.r.l. - previously not consolidated on a line-by-line basis as immaterial - was absorbed by Transtecno S.r.l. with effect from 1 January 2023, thus contributing in full to the consolidated data from 31 March 2023. Furthermore, minority interests were acquired in Hangzhou Transtecno Power Transmission, now wholly owned, as well as in Transtecno Iberica and MA Transtecno S.A.P.I., now both 70% owned.

Lastly, agreement was reached for the partial early exercise of the options to purchase/sell the minority interests in Hydra Dyne, which is now 89.99% owned.

In the Water-Jetting sector, the newly-acquired I.Mec S.r.l. and Waikato Group have been consolidated on a line-by-line basis with effect from 31 May 2023.

## **EVENTS OCCURRING AFTER THE CLOSE OF 3Q2023**

No atypical or unusual transactions have been carried out subsequent to 30 September 2023 that would call for changes to the consolidated financial statements at 30 September 2023.

**Directors' remarks on performance  
in 3Q2023**



### 3Q consolidated income statements

(€/000)	<u>2023</u>	<u>2022</u>
<b>Revenues</b>	<b>535,908</b>	<b>518,647</b>
Cost of sales	(347,768)	(342,083)
<b>Gross industrial margin</b>	<b>188,140</b>	<b>176,564</b>
<i>% of revenues</i>	<i>35.1%</i>	<i>34.0%</i>
Other operating income	8,525	17,213
Distribution expenses	(40,417)	(39,180)
General and administrative expenses	(51,835)	(48,078)
Other operating costs	(1,409)	(8,034)
<b>EBIT</b>	<b>103,004</b>	<b>98,485</b>
<i>% of revenues</i>	<i>19.2%</i>	<i>19.0%</i>
Financial income	7,382	11,117
Financial charges	(14,036)	(9,947)
Equity method contribution	155	255
<b>Profit for the period before taxes</b>	<b>96,505</b>	<b>99,910</b>
Income taxes	(24,393)	(24,690)
<b>Consolidated profit for the period</b>	<b>72,112</b>	<b>75,220</b>
<i>% of revenues</i>	<i>13.5%</i>	<i>14.5%</i>
<b>Attributable to:</b>		
Shareholders of Parent	71,623	74,433
Minority shareholders of subsidiaries	489	787
<b>Consolidated profit for the period</b>	<b>72,112</b>	<b>75,220</b>
<b>EBITDA</b>	<b>130,289</b>	<b>123,423</b>
<i>% of revenues</i>	<i>24.3%</i>	<i>23.8%</i>
Shareholders' equity	1,773,063	1,497,751
Net financial position	526,138	603,753
Debts for the acquisition of equity investments	75,166	53,282
Capital employed	2,374,317	2,154,786
<b>Unannualized ROCE</b>	<b>4.3%</b>	<b>4.6%</b>
<b>Unannualized ROE</b>	<b>4.1%</b>	<b>5.0%</b>
<b>Basic earnings per share</b>	<b>0.670</b>	<b>0.709</b>

## REVENUES

Revenues in 3Q2023 totaled € 535.9 million, up by 3.3% compared with € 518.6 million in the same period of 2022 (+0.2% at unchanged perimeter and +4.0% also net of exchange differences).

Net sales in 3Q are analyzed below by business sector and geographical area:

(€/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>3Q2023</i>						
Hydraulics	65,830	134,705	108,618	36,942	37,799	383,894
Water-Jetting	<u>15,009</u>	<u>51,665</u>	<u>48,253</u>	<u>22,451</u>	<u>14,636</u>	<u>152,014</u>
Total	<u>80,839</u>	<u>186,370</u>	<u>156,871</u>	<u>59,393</u>	<u>52,435</u>	<u>535,908</u>
<i>3Q2022</i>						
Hydraulics	64,280	132,154	108,651	45,398	31,849	382,332
Water-Jetting	<u>11,365</u>	<u>48,658</u>	<u>48,252</u>	<u>16,750</u>	<u>11,290</u>	<u>136,315</u>
Total	<u>75,645</u>	<u>180,812</u>	<u>156,903</u>	<u>62,148</u>	<u>43,139</u>	<u>518,647</u>
2023/2022 percentage changes						
Hydraulics	+2.4%	+1.9%	+0.0%	-18.6%	+18.7%	+0.4%
Water-Jetting	+32.1%	+6.2%	+0.0%	+34.0%	+29.6%	+11.5%
Total	+6.9%	+3.1%	+0.0%	-4.4%	+21.5%	+3.3%

The changes at unchanged perimeter are as follows:

2023/2022 percentage changes						
Hydraulics	-0.1%	-0.6%	+0.0%	-18.6%	+17.2%	-1.0%
Water-Jetting	+6,8%	+1,2%	-4,1%	+13,5%	+27,6%	+3,5%
Total	+1.0%	-0.1%	-1.3%	-10.0%	+19.9%	+0.2%

## PROFITABILITY

The cost of sales accounted for 64.9% of revenues (66.0% in 3Q2022). Production costs, which totaled € 141.2 million (€ 137.3 million in 3Q2022, which however did not include the costs of Eurofluid Hydraulic S.r.l., I.MEC S.r.l., IPG Mouldtech India Pvt Ltd and the Waikato Group), accounted for 26.3% of revenues (26.5% in the equivalent period of 2022). At unchanged perimeter, production costs in 3Q2023 were 26.3% of sales (-0.2% compared with the same period in 2022). The purchase cost of raw materials and components sourced on the market, including changes in inventories, was € 206.6 million (€ 204.8 million in the same period of 2022). The incidence of purchase costs, including changes in inventories, was 38.5% (39.5% in 3Q2022).

At unchanged perimeter, distribution costs fell by 1.9% with respect to 3Q2022, while the associated incidence on revenues fell by 0.2 percentage points.

Again at unchanged perimeter, general and administrative expenses rose by 3.2% with respect to 3Q2022, and their incidence on revenues rose by 0.3 percentage points.



EBITDA totaled € 130.3 million (24.3% of revenues) compared to € 123.4 million in 3Q2022, which accounted for 23.8% of revenues, reflecting growth of 5.6%.

The following table sets out EBITDA by business sector:

	<i>3Q2023</i>	<i>% on total</i>	<i>3Q2022</i>	<i>% on total</i>	<i>Increase/</i>
	<i>€/000</i>	<i>revenues*</i>	<i>€/000</i>	<i>revenues*</i>	<i>Decrease</i>
Hydraulics	86,775	22.6%	83,493	21.8%	+3.9%
Water-Jetting	<u>43,514</u>	28.4%	<u>39,930</u>	29.1%	+9.0%
<b>Total</b>	<b><u>130,289</u></b>	<b>24.3%</b>	<b><u>123,423</u></b>	<b>23.8%</b>	<b>+5.6%</b>

\* = Total revenues include those to Group companies in the other sector, while the revenues analyzed previously are exclusively those external to the Group (see note 2 in the explanatory notes). Accordingly, for consistency, the percentage is calculated on total revenues rather than on those reported previously.

EBIT amounted to € 103.0 million (19.2% of revenues) compared with € 98.5 million in 3Q2022 (19.0% of revenues), up by 4.6%.

The third quarter closed with a consolidated net profit of € 72.1 million (€ 75.2 million in 3Q2022), reflecting a rise of 4.1%.

Basic earnings per share were € 0.670, compared to € 0.709 in 3Q2022.

**BUSINESS OUTLOOK**

The results for 3Q2023 are positive. The first nine months of 2023 have generated records for both turnover and EBITDA margin. The geo-political, macro-economic and financial environment has deteriorated, while inflation continues to condition the markets, which have tended to normalize with respect to the dynamics experienced in 2022. Nevertheless, the Group has reason to believe that 2023 revenues will close ahead of initial forecasts, while the EBITDA margin will achieve another new record level.

Sant'Ilario d'Enza (RE), 10 November 2023

For the Board of Directors  
Fulvio Montipò  
Executive Chairman

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

Sant'Ilario d'Enza (RE), 10 November 2023

Mauro Barani  
Manager responsible for drafting  
the company's accounting documents

## **Financial statements and notes**



## Consolidated statement of financial position

(€/000)	<u>Notes</u>	<u>30/09/2023</u>	<u>31/12/2022</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		348,982	358,275
Trade receivables		459,554	433,812
Inventories	4	726,888	683,819
Tax receivables		45,839	45,133
Other current assets		36,423	33,983
<b>Total current assets</b>		<b><u>1,617,686</u></b>	<b><u>1,555,022</u></b>
<b>Non-current assets</b>			
Property, plant and equipment	5	762,501	681,095
Goodwill	1	776,572	754,944
Other intangible assets		71,648	61,863
Other financial assets		2,988	2,961
Tax receivables		3,839	5,051
Deferred tax assets		67,746	66,184
Other non-current assets		3,396	2,648
<b>Total non-current assets</b>		<b><u>1,688,690</u></b>	<b><u>1,574,746</u></b>
Assets held for sale	6	-	1,291
<b>Total assets</b>		<b><u>3,306,376</u></b>	<b><u>3,131,059</u></b>

(€/000)	<u>Notes</u>	<u>30/09/2023</u>	<u>31/12/2022</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables		278,798	312,222
Payables to banks		37,623	30,928
Interest-bearing financial payables (current portion)		260,277	288,456
Tax liabilities		55,890	60,662
Other current liabilities		169,566	111,553
Provisions for risks and charges		9,877	13,329
<b>Total current liabilities</b>		<b><u>812,031</u></b>	<b><u>817,150</u></b>
<b>Non-current liabilities</b>			
Interest-bearing financial payables		577,220	580,675
Liabilities for employee benefits		20,796	20,088
Deferred tax liabilities		57,227	56,947
Tax liabilities		358	355
Other non-current liabilities		52,450	76,745
Provisions for risks and charges		13,231	12,989
<b>Total non-current liabilities</b>		<b><u>721,282</u></b>	<b><u>747,799</u></b>
<b>Total liabilities</b>		<b><u>1,533,313</u></b>	<b><u>1,564,949</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		55,622	55,584
Legal reserve		11,323	11,323
Share premium reserve		45,444	39,444
Remeasurement reserve for defined benefit plans		(5,320)	(5,320)
Translation reserve		19,503	18,379
Other reserves		1,637,697	1,434,138
<b>Group shareholders' equity</b>		<b><u>1,764,269</u></b>	<b><u>1,553,548</u></b>
Non-controlling interests		8,794	12,562
<b>Total shareholders' equity</b>	7	<b><u>1,773,063</u></b>	<b><u>1,566,110</u></b>
<b>Total shareholders' equity and liabilities</b>		<b><u>3,306,376</u></b>	<b><u>3,131,059</u></b>

## Consolidated income statements for the first nine months

(€/000)	<i>Notes</i>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		<b>1,720,442</b>	<b>1,544,939</b>
Cost of sales		(1,113,270)	(1,008,462)
<b>Gross industrial margin</b>		<b>607,172</b>	<b>536,477</b>
Other operating income		31,225	32,167
Distribution expenses		(125,783)	(116,277)
General and administrative expenses		(161,194)	(146,991)
Other operating costs		(4,431)	(15,243)
<b>EBIT</b>		<b>346,989</b>	<b>290,133</b>
Financial income	8	20,332	26,274
Financial charges	8	(49,555)	(25,171)
Equity method contribution		484	115
<b>Profit for the period before taxes</b>		<b>318,250</b>	<b>291,351</b>
Income taxes		(77,684)	(76,618)
<b>Consolidated profit for the period</b>		<b>240,566</b>	<b>214,733</b>
<b>Attributable to:</b>			
Shareholders of Parent		238,202	212,557
Minority shareholders of subsidiaries		2,364	2,176
<b>Consolidated profit for the period</b>		<b>240,566</b>	<b>214,733</b>
Basic earnings per share	9	2.228	2.013
Diluted earnings per share	9	2.219	1.997

## Comprehensive consolidated income statements for the first nine months

(€/000)	<u>2023</u>	<u>2022</u>
<b>Consolidated profit (A)</b>	<b>240,566</b>	<b>214,733</b>
<b>Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit or loss</b>		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	841	55,829
<i>Gains (losses) from companies accounted for using the equity method</i>	(316)	420
<i>Applicable taxes</i>	—	—
<b>Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit or loss, net of the tax effect (B)</b>	<b><u>525</u></b>	<b><u>56,249</u></b>
<b>Comprehensive consolidated profit for the first nine months (A) + (B)</b>	<b><u>241,091</u></b>	<b><u>270,982</u></b>
<b>Attributable to:</b>		
Shareholders of Parent	239,326	267,788
Minority shareholders of subsidiaries	1,765	3,194
<b>Comprehensive consolidated profit for the period</b>	<b><u>241,091</u></b>	<b><u>270,982</u></b>



## Consolidated cash flow statements for the first nine months

(€/000)	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Profit before taxes	318,250	291,351
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(3,238)	(4,016)
Amortization and depreciation	76,188	73,250
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	3,934	3,689
Losses (profits) from investments	(484)	(115)
Net change in risk provisions and allocations to employee benefit provisions	4,052	1,051
Expenditures for tangible assets to be leased	(11,981)	(4,051)
Proceeds from the disposal of leased tangible assets	5,362	8,296
Net financial charges (revenues)	29,223	(1,109)
	<b>413,202</b>	<b>368,346</b>
(Increase) decrease in trade receivables and other current assets	(9,588)	(74,990)
(Increase) decrease in inventories	(28,581)	(133,183)
Increase (decrease) in trade payables and other current liabilities	(39,430)	29,795
Interest paid	(21,911)	(4,051)
Realized exchange differences	(3,038)	2,632
Taxes paid	(69,463)	(60,841)
<b>Net cash from operating activities</b>	<b>241,191</b>	<b>127,708</b>
<b>Cash flows from investing activities</b>		
Payments for the purchase of investments, net of cash received and	(40,790)	(25,778)
Capital expenditure on property, plant and equipment	(121,774)	(79,531)
Proceeds from the sale of property, plant and equipment	2,598	952
Increase in intangible assets	(4,237)	(4,420)
Financial income received	1,865	481
Other	(55)	(1,193)
<b>Net cash (used in) investing activities</b>	<b>(162,393)</b>	<b>(109,489)</b>
<b>Cash flows from financing activities</b>		
Disbursements (repayments) of loans	(44,863)	94,249
Dividends paid	(34,435)	(30,387)
Disbursements for purchase of treasury shares	-	(94,793)
Proceeds from the sale of treasury shares to stock option beneficiaries	2,104	9,591
Disbursements (repayments) of shareholder loans	(567)	(568)
Change in other financial assets	(393)	-
Payment of finance lease installments (principal)	(15,470)	(20,462)
<b>Net cash generated by (used in) financing activities</b>	<b>(93,624)</b>	<b>(42,370)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(14,826)</b>	<b>(24,151)</b>

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(€/000)	<u>2023</u>	<u>2022</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(14,826)</b>	<b>(24,151)</b>
Translation differences for cash held by non-EU companies	(1,162)	5,004
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	<u>327,347</u>	<u>341,255</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>311,359</u></b>	<b><u>322,108</u></b>

Cash and cash equivalents consist of the following:

	30/09/2023	31/12/2022
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	348,982	358,275
Bank payables (overdrafts and subject to collection advances)	<u>(37,623)</u>	<u>(30,928)</u>
Cash and cash equivalents as per the consolidated cash flow statement	<u>311,359</u>	<u>327,347</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 2022</i>	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	-	-	3,689	-	-	-	3,689	-	3,689
Purchase of treasury shares	(1,082)	-	(93,711)	-	-	-	(94,793)	-	(94,793)
Sale of treasury shares to stock option beneficiaries	362	-	9,229	-	-	-	9,591	-	9,591
Transfer of treasury shares to pay for equity investments	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	(56)	-	65	9	(534)	(525)
Dividends paid	-	-	-	-	-	(29,092)	(29,092)	(1,199)	(30,291)
Dividends resolved	-	-	-	-	-	(566)	(566)	-	(566)
Comprehensive profit (loss) for 3Q2022YTD	-	-	-	-	55,231	212,557	267,788	3,194	270,982
<i>Balances at 30 September 2022</i>	54,607	11,323	(14,321)	(8,226)	61,244	1,380,198	1,484,825	12,926	1,497,751
Recognition in income statement of fair value of stock options granted and exercisable	-	-	1,306	-	-	-	1,306	-	1,306
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares to stock option beneficiaries	977	-	52,459	-	-	-	53,436	-	53,436
Transfer of treasury shares to pay for equity investments	-	-	-	-	-	-	-	-	-
Winding up of subsidiaries	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	(19)	-	-	(19)	-	(19)
Dividends paid	-	-	-	-	-	(566)	(566)	(311)	(877)
Dividends resolved	-	-	-	-	-	566	566	-	566
Comprehensive profit (loss) for 4Q2022	-	-	-	2,925	(42,865)	53,940	14,000	(53)	13,947
<i>At 31 December 2022</i>	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	-	-	3,934	-	-	-	3,934	-	3,934
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares to stock option beneficiaries	38	-	2,066	-	-	-	2,104	-	2,104
Transfer of treasury shares to pay for equity investments	-	-	-	-	-	-	-	-	-
Winding up of subsidiaries	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	-	-	(2,569)	(2,569)	(3,431)	(6,000)
Dividends paid	-	-	-	-	-	(32,074)	(34,074)	(2,102)	(34,176)
Dividends resolved	-	-	-	-	-	-	-	-	-
Comprehensive profit (loss) for 3Q2023YTD	-	-	-	-	1,124	238,202	239,326	1,765	241,091
<i>Balances at 30 September 2023</i>	55,622	11,323	45,444	(5,320)	19,503	1,637,697	1,764,269	8,794	1,773,063

### 3Q consolidated income statements

(€/000)		<u>2023</u>	<u>2022</u>
<b>Revenues</b>		<b>535,908</b>	<b>518,647</b>
Cost of sales		(347,768)	(342,083)
<b>Gross industrial margin</b>		<b>188,140</b>	<b>176,564</b>
Other operating income		8,525	17,213
Distribution expenses		(40,417)	(39,180)
General and administrative expenses		(51,835)	(48,078)
Other operating costs		(1,409)	(8,034)
<b>EBIT</b>		<b>103,004</b>	<b>98,485</b>
Financial income	8	7,382	11,117
Financial charges	8	(14,036)	(9,947)
Equity method contribution		155	255
<b>Profit for the period before taxes</b>		<b>96,505</b>	<b>99,910</b>
Income taxes		(24,393)	(24,690)
<b>Consolidated profit for the period</b>		<b>72,112</b>	<b>75,220</b>
<b>Attributable to:</b>			
Shareholders of Parent		71,623	74,433
Minority shareholders of subsidiaries		489	787
<b>Consolidated profit for the period</b>		<b>72,112</b>	<b>75,220</b>
Basic earnings per share	9	0.670	0.709
Diluted earnings per share	9	0.667	0.706

### 3Q comprehensive consolidated income statements

(€/000)	<u>2023</u>	<u>2022</u>
<b>3Q consolidated profit (A)</b>	<b>72,112</b>	<b>75,220</b>
<b>Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit or loss</b>		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	3,175	19,447
<i>Gains (losses) from companies accounted for using the equity method</i>	(55)	(29)
<i>Applicable taxes</i>	—	—
<b>Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit or loss, net of the tax effect (B)</b>	<b><u>3,120</u></b>	<b><u>19,418</u></b>
<b>3Q comprehensive consolidated profit (A) + (B)</b>	<b><u>75,232</u></b>	<b><u>94,638</u></b>
<b>Attributable to:</b>		
Shareholders of Parent	74,622	93,805
Minority shareholders of subsidiaries	<u>610</u>	<u>833</u>
<b>Comprehensive consolidated profit for the period</b>	<b><u>75,232</u></b>	<b><u>94,638</u></b>

## Notes to the consolidated financial statements

### **General information**

Interpump Group S.p.A. is a company domiciled in Sant'Ilario d'Enza (Reggio Emilia, Italy) and incorporated under Italian law. The company is listed on the Milan stock exchange in the Euronext Star Milan segment.

The Group manufactures and markets high and very high pressure plunger pumps, very high pressure systems, machines for the food processing industry, chemicals, cosmetics, pharmaceuticals, mechanical sifters and automated milking systems (Water-Jetting sector), power take-offs, gear pumps, hydraulic cylinders, valves and directional controls, hydraulic hoses and fittings, gears, orbital motors, steering systems (hydroguide) and other hydraulic components (Hydraulic sector). The Group has production facilities in Italy, the US, Germany, China, India, France, Portugal, Spain, Brazil, Bulgaria, Romania, Canada, Poland, New Zealand and South Korea.

Revenues are not affected by any significant degree of seasonality.

The consolidated financial statements include Interpump Group S.p.A. and its directly or indirectly controlled subsidiaries (hereinafter "the Group").

The consolidated financial statements at 30 September 2023 were approved by the Board of Directors today (10 November 2023).

### **Basis of preparation**

The consolidated financial statements at 30 September 2023 were prepared in compliance with the international accounting standards (IAS/IFRS) endorsed by the European Union for interim financial statements (IAS 34). The tables have been prepared in compliance with IAS 1, while the notes have been prepared in condensed form, as allowed by IAS 34, and therefore do not include all the information required for annual financial statements prepared in compliance with IFRS standards. Accordingly, the consolidated financial statements at 30 September 2023 should be read together with the consolidated financial statements for the year ended 31 December 2022.

The accounting standards and criteria adopted in the consolidated financial statements at 30 September 2023 may conflict with IFRS provisions in force on 31 December 2023, due to the effect of future orientations of the European Commission with regard to the approval of international accounting standards or the issue of new standards, interpretations or implementing guidelines by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC).

Preparation of interim financial statements in compliance with IAS 34 - Interim Financial Reporting calls for judgments, estimates, and assumptions that have an effect on assets, liabilities, costs and revenues and on information regarding contingent assets and liabilities at the reporting date. Any estimates made may differ from the actual results obtained in the future. In addition, some measurement processes, notably those that are more complex, such as the determination of impairment losses on non-current assets, are generally only performed in a comprehensive manner at the time of preparing the annual financial statements, when all the necessary information is available, except in cases in which evidence of impairment exists, when the immediate measurement of any losses in value is required. Likewise, the actuarial valuations required to

determine the liability for employee benefits are normally made when preparing the annual financial statements.

The consolidated financial statements are presented in thousands of euro. The financial statements are prepared using the cost method, with the exception of financial instruments, which are measured at fair value.

### **Accounting standards**

The accounting standards adopted are those described in the consolidated financial statements at 31 December 2022, with the exception of those adopted as from 1 January 2023 as described hereunder, and they were uniformly applied to all Group companies and all periods presented.

#### *a) Accounting standards, amendments and interpretations in force from 1 January 2023 and adopted by the Group*

- Amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 “Disclosure of Accounting policies”. The IASB published an amendment to this standard on 12 February 2021 in order to help companies to decide which accounting policies to disclose in their financial statements. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.
- Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”. The IASB published an amendment to this standard on 12 February 2021 in order to introduce a new definition of accounting estimate and clarify the distinction between changes in accounting estimates, changes in accounting policies and corrections of errors. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.
- Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”. On 7 May 2021 IASB published an amendment to this standard, which requires companies to recognize deferred tax assets and liabilities on specific transactions that, at the time of initial booking, give rise to equivalent timing differences (taxable and deductible) – for example, see transactions related to leasing contracts. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.

#### *b) Accounting standards, amendments and interpretations taking effect as from 1 January 2023 but not relevant for the Group*

- *IFRS 17 Insurance Contracts*: The IASB published an amendment to the applicability of this standard on 19 November 2021, in order to establish principles for the recognition, measurement, presentation and reporting on insurance contracts falling within the scope of application of this standard. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.
- *Amendments to “IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information”*. The IASB published this amendment to the transitional instructions for IFRS 17 on 9 December 2021. The amendment gives insurers an option for the purpose of improving the meaningfulness of the information to be provided to investors on initial application of the new standard. The amendment applies to reporting periods beginning on or after 1 January 2023. Early application was allowed.

c) *New accounting standards and amendments not yet applicable and not adopted early by the Group*

- *Amendments to IAS 1 “Presentation of Financial Statements: Classification of Liabilities as Current or Non-current”*. The IASB published this amendment on 23 January 2020 in order to clarify the presentation of liabilities in the statement of financial position. In particular, they clarify that:
  - the classification of liabilities as current or non-current should be based on the rights existing at the end of the reporting period and, in particular, on the right to defer payment for at least 12 months;
  - classification is not influenced by expectations regarding decisions by the entity to exercise its right to defer the payment of a liability;
  - payment refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The new amendment is applicable from 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact of this amendment on the existing situation.

- *Amendments to IFRS 16 “Leases: Lease Liability in a Sale and Leaseback”*. On 22 September 2022 the IASB published the document entitled *Lease Liability in a Sale and Leaseback*, which amends IFRS 16 and clarifies how to account for a sale and leaseback after the date of the transaction. The amendment applies to reporting periods beginning on or after 1 January 2024. Early application is allowed.
- *Amendments to IAS 12 “Income Taxes: International Tax Reform – Pillar Two Model Rules”*. On 24 April 2023, the IASB published a document that introduces a temporary exception to the recognition of deferred taxes linked to application of the Pillar Two rules published by the OECD.  
This amendment is effective for annual periods that began on or after 1 January 2023.
- *Amendments to “IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments” regarding supplier finance arrangements*: On 25 May 2023, in response to investor needs, the IASB published an amendment to the related disclosures that improves transparency with regard to financial indebtedness and its effects on financial liabilities, cash flows and the exposure to liquidity risk.  
The new amendment applies to reporting periods beginning on or after 1 January 2024.
- *Amendments to “IAS 21 The effects of changes in foreign exchange rates: lack of exchangeability”*: The IASB published an amendment on 15 August 2023 that contains guidelines to clarify when one currency is exchangeable into another currency and how to determine the exchange rate when, by contrast, it is not exchangeable.  
The new amendment applies to reporting periods beginning on or after 1 January 2025 and early adoption is allowed.



**Notes to the consolidated financial statements at 30 September 2023**

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## 1. Scope of consolidation and goodwill

The scope of consolidation at 30 September 2023 comprises the Parent company and the following subsidiaries:

<u>Company</u>	<u>Location</u>	<u>Share capital</u> <u>€/000</u>	<u>Sector</u>	<u>% held</u> <u>at 30/09/2023</u>
GP Companies Inc.	Minneapolis (USA)	1,854	Water-Jetting	100.00%
Hammelmann GmbH	Oelde (Germany)	25	Water-Jetting	100.00%
Hammelmann Australia Pty Ltd (1)	Melbourne (Australia)	472	Water-Jetting	100.00%
Hammelmann Corporation Inc (1)	Miamisburg (USA)	39	Water-Jetting	100.00%
Hammelmann S. L. (1)	Zaragoza (Spain)	500	Water-Jetting	100.00%
Hammelmann Pumps Systems Co Ltd (1)	Tianjin (China)	871	Water-Jetting	90.00%
Hammelmann France S.a.r.l. (1)	Etrichè (France)	50	Water-Jetting	100.00%
Hammelmann Swiss GmbH (1)	Dudingén (Switzerland)	89	Water-Jetting	100.00%
Inoxihp S.r.l.	Nova Milanese (MI)	119	Water-Jetting	52.72%
NLB Corporation Inc.	Detroit (USA)	12	Water-Jetting	100.00%
Inoxpa S.A.	Banyoles (Spain)	23,000	Water-Jetting	100.00%
Inoxpa India Private Ltd (3)	Pune (India)	6,779	Water-Jetting	100.00%
Inoxpa Solutions France (3)	Gleize (France)	2,071	Water-Jetting	100.00%
Improved Solutions Portugal Unipessoal Ltda (Portugal) (3)	Vale de Cambra (Portugal)	760	Water-Jetting	100.00%
Inoxpa (UK) Ltd (3)	Eastbourne (UK)	1,942	Water-Jetting	100.00%
Inoxpa Solutions Moldova (3)	Chisinau (Moldova)	317	Water-Jetting	66.67%
Inoxpa Colombia SAS (3)	Bogotá (Colombia)	133	Water-Jetting	83.29%
Inoxpa Italia S.r.l. (3)	Mirano (VE)	100	Water-Jetting	100.00%
Inoxpa Skandinavien A/S (3)	Horsens (Denmark)	134	Water-Jetting	100.00%
Inoxpa South Africa Proprietary Ltd (3)	Gauteng (South Africa)	104	Water-Jetting	100.00%
Inoxpa Special Processing Equipment Co. Ltd (3)	Jianxing (China)	1,647	Water-Jetting	100.00%
Inoxpa Ukraine (3)	Kiev (Ukraine)	113	Water-Jetting	100.00%
Inoxpa USA Inc. (3)	Santa Rosa (USA)	1,426	Water-Jetting	100.00%
INOXPA LTD (Russia) (3)	Podolsk (Russia)	1,435	Water-Jetting	70.00%
Inoxpa Mexico S.A. de C.V. (3)	Mexico City (Mexico)	309	Water-Jetting	100.00%
Pioli S.r.l.	Reggio Emilia (RE)	10	Water-Jetting	100.00%
Servizi Industriali S.r.l.	Ozzano Emilia (BO)	100	Water-Jetting	80.00%
SIT S.p.A.	S. Ilario d'Enza (RE)	105	Water-Jetting	80.00%
Teknova S.r.l. (in liquidation)	Reggio Emilia (RE)	28	Water-Jetting	100.00%
Interpump Hydraulics S.p.A.	Calderara di Reno (BO)	2,632	Hydraulics	100.00%
Contarini Leopoldo S.r.l. (4)	Lugo (RA)	47	Hydraulics	100.00%
Unidro Contarini S.a.s. (5)	Barby (France)	8	Hydraulics	100.00%
Copa Hydrosystem Ood (5)	Troyan (Bulgaria)	3	Hydraulics	100.00%
Hydrocar Chile S.A. (4)	Santiago (Chile)	129	Hydraulics	90.00%

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Hydroven S.r.l. (4)	Tezze sul Brenta (VI)	200	Hydraulics	100.00%
Interpump Hydraulics Brasil Ltda (4)	Caxia do Sul (Brazil)	15,126	Hydraulics	100.00%
Interpump Hydraulics France S.a.r.l. (4)	Ennery (France)	76	Hydraulics	99.77%
Interpump Hydraulics India Private Ltd (4)	Hosur (India)	682	Hydraulics	100.00%
Interpump Hydraulics Middle East FZE (4)	Dubai (UAE)	326	Hydraulics	100.00%
Interpump South Africa Pty Ltd (4)	Johannesburg (South Africa)	-	Hydraulics	100.00%
Eurofluid Hydraulic S.r.l. (4)	Albinea (RE)	100	Hydraulics	80.00%
Interpump Hydraulics (UK) Ltd. (4)	Kidderminster (United Kingdom)	13	Hydraulics	100.00%
Mega Pacific Pty Ltd (6)	Newcastle (Australia)	335	Hydraulics	100.00%
Mega Pacific NZ Pty Ltd (6)	Mount Maunganui (New Zealand)	557	Hydraulics	100.00%
Muncie Power Prod. Inc. (4)	Muncie (USA)	784	Hydraulics	100.00%
North American Manufacturing Inc. (7)	Fairmount (USA)	3,410	Hydraulics	100.00%
Hydra Dyne Tech Inc (7)	Ingersoll (Canada)	80	Hydraulics	89.99%
Oleodinamica Panni S.r.l. (4)	Tezze sul Brenta (VI)	2,000	Hydraulics	100.00%
Wuxi Interpump Weifu Hydraulics Company Ltd (4)	Wuxi (China)	2,095	Hydraulics	65.00%
IMM Hydraulics S.p.A. (4)	Atessa (Switzerland)	520	Hydraulics	100.00%
IFS France S.a.r.l. (8)	Strasbourg (France)	162	Hydraulics	100.00%
Interpump Fluid Solutions Germany GmbH (8)	Meinerzhagen (Germany)	52	Hydraulics	100.00%
IMM Hydro Est (8)	Catcau Cluj Napoca (Romania)	3,155	Hydraulics	100.00%
FGA S.r.l. (8)	Fossacesia (CH)	10	Hydraulics	100.00%
Innovativ Gummi Tech S.r.l. (8)	Ascoli Piceno (AP)	4,100	Hydraulics	100.00%
Tekno Tubi S.r.l. (8)	Terre del Reno (FE)	100	Hydraulics	100.00%
Tubiflex S.p.A.	Orbassano (TO)	515	Hydraulics	100.00%
Walvoil S.p.A.	Reggio Emilia	7,692	Hydraulics	100.00%
Walvoil Fluid Power Corp. (9)	Tulsa (USA)	137	Hydraulics	100.00%
Walvoil Fluid Power (India) Pvt. Ltd. (9)	Bangalore (India)	4,803	Hydraulics	100.00%
Walvoil Fluid Power Korea Llc. (9)	Pyeongtaek (South Korea)	453	Hydraulics	100.00%
Walvoil Fluid Power France S.a.r.l. (9)	Vritz (France)	10	Hydraulics	100.00%
Walvoil Fluid Power Australasia (9)	Melbourne (Australia)	7	Hydraulics	100.00%
Walvoil Canada Inc. (9)	Terrebonne, Quebec (Canada)	76	Hydraulics	100.00%
Walvoil Fluid Power (Dongguan) Co., Ltd (9)	Dongguan (China)	3,720	Hydraulics	100.00%
IPG Mouldtech India Pvt Ltd (9)	Coimbatore (India)	298	Hydraulics	85.00%
Reggiana Riduttori S.r.l.	S.Polo d'Enza (RE)	6,000	Hydraulics	100.00%
RR USA Inc. (12)	Boothwyn (USA)	1	Hydraulics	100.00%
RR Canada Inc. (12)	Vaughan (Canada)	1	Hydraulics	100.00%
RR Holland BV (12)	Oosterhout (Netherlands)	19	Hydraulics	100.00%
RR France S.a.r.l. (12)	Thouare sur Loire (France)	400	Hydraulics	95.00%
RR Slovakia A.S. (12)	Zvolen (Slovakia)	340	Hydraulics	100.00%
RR Pacific Pty Ltd (12)	Victoria (Australia)	249	Hydraulics	100.00%
RR India Pvt. Ltd (12) (dormant)	New Delhi (India)	52	Hydraulics	99.99%
Reggiana Riduttori (Suzhou) Co. Ltd (12)	Suzhou (China)	600	Hydraulics	100.00%
Transtecno S.r.l.	Anzola dell'Emilia (BO)	100	Hydraulics	80.00%
Draintech S.r.l. (13)	Anzola dell'Emilia (BO)	10	Hydraulics	80.00%
Hangzhou Transtecno Power Transmissions Co. Ltd (13)	Hangzhou (China)	575	Hydraulics	100.00%
Transtecno Iberica the Modular Gearmotor S.A. (13)	Gava (Spain)	94	Hydraulics	70.00%
MA Transtecno S.A.P.I. de C.V. (13)	Apodaca (Mexico)	124	Hydraulics	70.00%
Transtecno USA LLC (15)	Miami (USA)	3	Hydraulics	100.00%
Transtecno BV (13)	Amersfoort (Netherlands)	18	Hydraulics	51.00%
Transtecno Aandrijftechniek (Netherlands) (14)	Amersfoort (Netherlands)	-	Hydraulics	51.00%
White Drive Motors and Steering Sp zoo	Wroclaw (Poland)	33,254	Hydraulics	100.00%

Interim Board of Directors' Report at 30 September 2023 – Interpump Group

<u>Company</u>	<u>Location</u>	<u>Share capital</u> <u>€/000</u>	<u>Sector</u>	<u>% held</u> <u>at 30/09/2023</u>
White Drive Motors and Steering GmbH	Parchim (Germany)	33,595	Hydraulics	100.00%
White Drive Motors and Steering, LLC	Hopkinsville (USA)	46,328	Hydraulics	100.00%
Interpump Piping GS S.r.l.	Reggio Emilia	10	Hydraulics	100.00%
GS-Hydro Singapore Pte Ltd (10)	Singapore	624	Hydraulics	100.00%
GS-Hydro Korea Ltd. (10)	Busan (South Korea)	1,892	Hydraulics	100.00%
GS-Hydro Piping Systems (Shanghai) Co. Ltd. (11)	Shanghai (China)	2,760	Hydraulics	100.00%
GS-Hydro Benelux B.V. (10)	Barendrecht (Netherlands)	18	Hydraulics	100.00%
GS-Hydro Austria GmbH (10)	Pashing (Austria)	40	Hydraulics	100.00%
GS-Hydro Sp Z O O (Poland) (10)	Gdynia (Poland)	1,095	Hydraulics	100.00%
GS Hydro Denmark AS (10)	Kolding (Denmark)	67	Hydraulics	100.00%
GS-Hydro S.A.U (Spain) (10)	Las Rozas (Spain)	90	Hydraulics	100.00%
Suministros Franquesa S.A. (16)	Lleida (Spain)	160	Hydraulics	100.00%
GS-Hydro U.S. Inc. (7)	Houston (USA)	9,903	Hydraulics	100.00%
GS-Hydro do Brasil Sistemas Hidraulicos Ltda (10)	Rio de Janeiro (Brazil)	252	Hydraulics	100.00%
GS-Hydro System GmbH (Germany) (10)	Witten (Germany)	179	Hydraulics	100.00%
GS- Hydro UK Ltd (10)	Aberdeen (United Kingdom)	5,095	Hydraulics	100.00%
GS-Hydro Ab (Sweden) (10)	Kista (Sweden)	120	Hydraulics	100.00%
GS-Hydro Hong Kong Ltd (1)	Hong Kong	1	Hydraulics	100.00%
IMM Hydraulics Ltd (dormant) (6)	Kidderminster (United Kingdom)	-	Hydraulics	100.00%
Bristol Hose Ltd (dormant) (6)	Bristol (United Kingdom)	-	Hydraulics	100.00%
I.MEC S.r.l	Reggio Emilia	100	Water-Jetting	70.00%
Waikato Holding Limited (NZ)	Auckland (New Zealand)	15,175	Water-Jetting	100.00%
Waikato Milking Systems L.P. (NZ) (17)	Auckland (New Zealand)	46,803	Water-Jetting	100.00%
Waikato Milking Systems Lease Limited (NZ) (18)	Auckland (New Zealand)	-	Water-Jetting	100.00%
Waikato Milking Systems USA LLC (19)	Verona (USA)	-	Water-Jetting	100.00%
Waikato Milking Systems UK Limited (18)	Shrewsbury (United Kingdom)	-	Water-Jetting	100.00%
Waikato Milking Systems Ireland Limited (18)	Dublin (Ireland)	1	Water-Jetting	100.00%
Hi-Tech Enviro Solution Limited (NZ) (dormant) (18)	Auckland (New Zealand)	-	Water-Jetting	100.00%
WMS GP Limited (NZ) (18) (dormant)	Hamilton (New Zealand)	-	Water-Jetting	100.00%

(1) = controlled by Hammelmann GmbH

(2) = controlled by NLB Corporation Inc. .

(3) = controlled by Inoxpa S.A.

(4) = controlled by Interpump Hydraulics S.p.A.

(5) = controlled by Contarini Leopoldo S.r.l.

(6) = controlled by Interpump Hydraulics (UK) Ltd.

(7) = controlled by Muncie Power Prod. Inc

(8) = controlled by IMM Hydraulics S.p.A.

(9) = controlled by Walvoil S.p.A.

(10) = controlled by Interpump Piping GS S.r.l.

(11) = controlled by GS Hydro Hong Kong Ltd

(12) = controlled by Reggiana Riduttori S.r.l.

(13) = controlled by Transtecno S.r.l.

(14) = controlled by Transtecno B.V.

(15) = controlled by MA Transtecno S.A.P.I. de C.V.

(16) = controlled by GS Hydro S.A.U

(17) = controlled by Waikato Holding Limited

(18) = controlled by Waikato Milking Systems LP

(19) = controlled by Waikato Milking Systems Lease LTD

The other companies are controlled by Interpump Group S.p.A.

Compared with 3Q2022YTD, the Hydraulic sector has consolidated Eurofluid Hydraulic S.r.l. in full during 2023, following its acquisition in October 2022, while IPG Mouldtech India Pvt Ltd, acquired in 1Q2023, has been consolidated on a line-by-line basis with effect from 31 March 2023.

In the Water-Jetting sector, I.Mec S.r.l. acquired in April 2023 and the Waikato Group acquired in May 2023 have been consolidated on a line-by-line basis with effect from 31 May 2023.

Benmec S.r.l. - previously not consolidated on a line-by-line basis as immaterial - was absorbed by Transtecno S.r.l. with effect from 1 January 2023, thus contributing in full to all the consolidated data.

Furthermore, minority interests were acquired in Hangzhou Transtecno Power Transmission, now wholly owned, as well as in Transtecno Iberica and MA Transtecno S.A.P.I., now both 70% owned.

Lastly, agreement was reached for the partial early exercise of the options to purchase/sell the minority interests in Hydra Dyne, which is now 89.99% owned.

***Rights of minorities to dispose of their holdings (put options)***

The minority quotaholder of Inoxihp S.r.l. is entitled to dispose of its holdings starting from the approval of the 2025 financial statements up to the 2035 financial statements, on the basis of the average results of the company in the last two financial statements for the years ended before the exercise of the option.

The minority shareholder of Inoxpa Solution Moldova is entitled to dispose of its holdings from October 2020, based on the most recent statement of financial position of that company.

***Rights and obligations of minorities to dispose of their holdings (put & call options)***

The minority shareholder of Hydra Dyne has the right and obligation to dispose of its holdings starting from approval of the 2028 financial statements based on the average of the results for the two years prior to exercise of the option.

The minority quotaholder of Transtecno S.r.l. has the right and obligation to dispose of its holdings during 2024, based on the results for the year prior to exercise of the option.

The minority quotaholder of Eurofluid Hydraulic S.r.l. has the right and obligation to dispose of its holdings on the approval date of the financial statements at 31 December 2025. The price of this option has been fixed by contractual agreement.

The minority shareholder of IPG Mouldtech India Pvt Ltd has the right and obligation to dispose of its holdings by 30 June 2027, based on the results for the year prior to exercise of the option.

The minority quotaholder of I.Mec S.r.l. has the right and obligation to dispose of its holdings in two tranches, the first starting sixty days after approval of the 2025 financial statements, and the second starting from approval of the 2027 financial statements.

***Obligations of the Group to purchase minority holdings***

Interpump Group S.p.A. is required to purchase the residual 20% interest in Servizi Industriali S.r.l. in due tranches, the first starting from approval of the 2024 financial statements, and the second starting from approval of the 2026 financial statements.

Furthermore, the Group is required to purchase the residual 20% interest in Draintech S.r.l., commencing from approval of the 2024 financial statements.

In compliance with the requirements of IFRS 10 and IFRS 3, Inoxihp S.r.l., Inoxpa Solution Moldova, Hydra Dyne Tech Inc., Transtecno S.r.l., Servizi Industriali S.r.l., Draintech S.r.l., Eurofluid Hydraulic S.r.l., IPG Mouldtech India Pvt Ltd and I.Mec S.r.l. have been consolidated in full, recording a payable representing an estimate of the present value of the exercise price of the options determined with reference to the business plans of the companies. Any changes in the above payable identified within 12 months of the date of acquisition, as a result of additional or better information, will be recorded as an adjustment of goodwill, while any changes emerging more than 12 months after the date of acquisition will be recognized in the income statement.

Investments in other companies, including subsidiaries, that have not been consolidated due to their insignificance are measured at fair value.

The changes in goodwill during the first nine months of 2023 were as follows:

<i>Company:</i>	Balance at <u>31/12/2022</u>	Increases <u>in the period</u>	(Decreases) <u>in the period</u>	Changes due to foreign exchange <u>differences</u>	Balance at <u>30/09/2023</u>
Water-Jetting	216,115	14,225	-	369	230,709
Hydraulics	<u>538.829</u>	<u>5,466</u>	=	<u>1,568</u>	<u>545.863</u>
<i>Total goodwill</i>	<u>754,944</u>	<u>19,691</u>	=	<u>1,937</u>	<u>776,572</u>

The increases during 3Q2023YTD relate to the acquisitions of IPG Mouldtech India Pvt Ltd, I.Mec S.r.l. and the Waikato Group, while changes due to foreign exchange differences relate to the goodwill denominated in foreign currencies.

## 2. Business sector information

Business sector information is supplied with reference to the operating sectors. The information required by IFRS by geographical area is also presented. The information provided about business sectors reflects the Group's internal reporting structure.

The values of components or products transferred between sectors are the effective sales price between Group companies, which correspond to the selling prices applied to the best customers.

Sector information includes directly attributable costs and costs allocated on the basis of reasonable estimates. The holding costs, i.e. remuneration of directors and statutory auditors of the parent company and functions of the Group's financial management, control and internal auditing department, and also consultancy costs and other related costs were booked to the sectors on the basis of revenues.

### Business sectors

The Group comprises the following business sectors:

*Water-Jetting sector.* This sector is mainly composed of high and very high-pressure pumps and pumping systems used in a wide range of industrial sectors for the conveyance of fluids. High pressure plunger pumps are the main component of professional pressure washers. These pumps are also utilized for a broad range of industrial applications including car wash installations, forced lubrication systems for machine tools, and inverse osmosis systems for water desalination plants. Very high-pressure pumps and systems are used for cleaning surfaces, ships, various types of pipes, and also for removing machining burr, cutting and removing cement, asphalt, and paint coatings from stone, cement and metal surfaces, and for cutting solid materials. The Sector also includes high pressure homogenizers, mixers, agitators, piston pumps, valves, mechanical sifters, automated milking systems and other machines produced mainly for the food processing industry, but also used in the chemicals and cosmetics sectors.

*Hydraulic sector.* This sector includes the production and sale of power take-offs, hydraulic cylinders and pumps, directional controls, valves, rotary unions, hydraulic hoses and fittings, gears, orbital motors, steering systems (hydroguide) and other hydraulic components. Power take-offs are mechanical units used to transmit energy from the engine or gearbox of an industrial vehicle in order to drive, via hydraulic components, its various applications. These products, combined with other hydraulic components (spool valves, controls, etc.) allow the execution of special functions such as lifting tipping bodies, operating truck-mounted cranes and operating mixer trucks. Hydraulic cylinders are components of the hydraulic system of various vehicle types employed in a wide range of applications depending on the type. Front-end and underbody cylinders (single acting) are fitted mainly on industrial vehicles in the building construction sector, while double acting cylinders are employed in a range of applications: earthmoving machinery, agricultural machinery, cranes and truck cranes, waste compactors, etc. The hydraulic hoses and fittings are designed for use in a broad range of hydraulic systems and also for very high pressure water systems. Gears facilitate the mechanical transmission of energy, with applications in various industrial sectors including agriculture, materials handling, mining, heavy industry, marine & offshore, aerial platforms, forestry and sugar production. Orbital motors are used on industrial vehicles, in the construction sector, in earth-moving machines and in agricultural machinery. The Group also designs and makes piping systems for the industrial, naval and offshore sectors.

**Interpump Group business sector information**  
**(Amounts shown in €(000))**  
**Cumulative at 30 September (nine months)**

	Hydraulics		Water-Jetting		Elimination entries		Interpump Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues outside the Group	1,268,636	1,148,454	451,806	396,485			1,720,442	1,544,939
Inter-sector revenues	2,179	2,491	3,987	3,006	(6,166)	(5,497)	-	-
<b>Total revenues</b>	<b>1,270,815</b>	<b>1,150,945</b>	<b>455,793</b>	<b>399,491</b>	<b>(6,166)</b>	<b>(5,497)</b>	<b>1,720,442</b>	<b>1,544,939</b>
Cost of sales	(868,879)	(796,938)	(250,589)	(217,035)	6,198	5,511	(1,113,270)	(1,008,462)
<b>Gross industrial margin</b>	<b>401,936</b>	<b>354,007</b>	<b>205,204</b>	<b>182,456</b>	<b>32</b>	<b>14</b>	<b>607,172</b>	<b>536,477</b>
<i>% of revenues</i>	<i>31.6%</i>	<i>30.8%</i>	<i>45.0%</i>	<i>45.7%</i>			<i>35.3%</i>	<i>34.7%</i>
Other operating income	26,186	26,351	5,609	6,511	(570)	(695)	31,225	32,167
Distribution expenses	(77,053)	(72,283)	(48,947)	(44,360)	217	366	(125,783)	(116,277)
General and administrative expenses	(108,644)	(100,105)	(52,871)	(47,201)	321	315	(161,194)	(146,991)
Other operating costs	(3,583)	(14,751)	(848)	(492)	-	-	(4,431)	(15,243)
<b>EBIT</b>	<b>238,842</b>	<b>193,219</b>	<b>108,147</b>	<b>96,914</b>	<b>-</b>	<b>-</b>	<b>346,989</b>	<b>290,133</b>
<i>% of revenues</i>	<i>18.8%</i>	<i>16.8%</i>	<i>23.7%</i>	<i>24.3%</i>			<i>20.2%</i>	<i>18.8%</i>
Financial income	15,194	20,976	8,423	6,111	(3,285)	(813)	20,332	26,274
Financial charges	(26,528)	(20,531)	(26,312)	(5,453)	3,285	813	(49,555)	(25,171)
Dividends	-	-	36,250	41,000	(36,250)	(41,000)	-	-
Equity method contribution	479	82	5	33	-	-	484	115
<b>Profit for the period before taxes</b>	<b>227,987</b>	<b>193,746</b>	<b>126,513</b>	<b>138,605</b>	<b>(36,250)</b>	<b>(41,000)</b>	<b>318,250</b>	<b>291,351</b>
Income taxes	(59,945)	(52,134)	(17,739)	(24,484)	-	-	(77,684)	(76,618)
<b>Consolidated profit for the period</b>	<b>168,042</b>	<b>141,612</b>	<b>108,774</b>	<b>114,121</b>	<b>(36,250)</b>	<b>(41,000)</b>	<b>240,566</b>	<b>214,733</b>
<b>Attributable to:</b>								
Shareholders of Parent	166,379	139,951	108,073	113,606	(36,250)	(41,000)	238,202	212,557
Minority shareholders of subsidiaries	1,663	1,661	701	515	-	-	2,364	2,176
<b>Consolidated profit for the period</b>	<b>168,042</b>	<b>141,612</b>	<b>108,774</b>	<b>114,121</b>	<b>(36,250)</b>	<b>(41,000)</b>	<b>240,566</b>	<b>214,733</b>
<b>Further information required by IFRS 8</b>								
Amortization, depreciation and write-downs	58,043	56,844	18,145	16,406	-	-	76,188	73,250
Other non-monetary costs	3,613	2,676	2,834	2,995	-	-	6,447	5,671



**Interpump Group business sector information**  
(Amounts shown in €'000)

**3Q**

	Hydraulics		Water-Jetting		Elimination entries		Interpump Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues outside the Group	383,894	382,332	152,014	136,315			535,908	518,647
Inter-sector revenues	663	891	1,245	937	(1,908)	(1,828)	-	-
<b>Total revenues</b>	<b>384,557</b>	<b>383,223</b>	<b>153,259</b>	<b>137,252</b>	<b>(1,908)</b>	<b>(1,828)</b>	<b>535,908</b>	<b>518,647</b>
Cost of sales	(266,101)	(269,454)	(83,582)	(74,457)	1,908	1,828	(347,768)	(342,083)
<b>Gross industrial margin</b>	<b>118,456</b>	<b>113,769</b>	<b>69,677</b>	<b>62,795</b>	-	-	<b>188,140</b>	<b>176,564</b>
<i>% of revenues</i>	30.8%	29.7%	45.5%	45.8%			35.1%	34.0%
Other operating income	6,711	15,218	1,944	2,161	(130)	(166)	8,525	17,213
Distribution expenses	(23,806)	(23,974)	(16,627)	(15,260)	16	54	(40,417)	(39,180)
General and administrative expenses	(33,999)	(32,746)	(17,943)	(15,444)	107	112	(51,835)	(48,078)
Other operating costs	(1,128)	(7,948)	(281)	(86)	-	-	(1,409)	(8,034)
<b>EBIT</b>	<b>66,234</b>	<b>64,319</b>	<b>36,770</b>	<b>34,166</b>	-	-	<b>103,004</b>	<b>98,485</b>
<i>% of revenues</i>	17.2%	16.8%	24.0%	24.9%			19.2%	19.0%
Financial income	5,626	8,964	2,963	2,419	(1,207)	(266)	7,382	11,117
Financial charges	(6,229)	(7,559)	(9,014)	(2,654)	1,207	266	(14,036)	(9,947)
Dividends	-	-	-	-	-	-	-	-
Equity method contribution	130	200	25	55	-	-	155	255
<b>Profit for the period before taxes</b>	<b>65,761</b>	<b>65,924</b>	<b>30,744</b>	<b>33,986</b>	-	-	<b>96,505</b>	<b>99,910</b>
Income taxes	(16,235)	(16,451)	(8,158)	(8,239)	-	-	(24,393)	(24,690)
<b>Consolidated profit for the period</b>	<b>49,526</b>	<b>49,473</b>	<b>22,586</b>	<b>25,747</b>	-	-	<b>72,112</b>	<b>75,220</b>
<b>Attributable to:</b>								
Shareholders of Parent	49,297	48,859	22,326	25,574	-	-	71,623	74,433
Minority shareholders of subsidiaries	229	614	260	173	-	-	489	787
<b>Consolidated profit for the period</b>	<b>49,526</b>	<b>49,473</b>	<b>22,586</b>	<b>25,747</b>	-	-	<b>72,112</b>	<b>75,220</b>
<b>Further information required by IFRS 8</b>								
Amortization, depreciation and write-downs	20,111	19,082	6,333	5,583	-	-	26,444	24,665
Other non-monetary costs	961	557	1,211	827	-	-	2,172	1,384

**Financial position**  
(Amounts shown in €/000)

	Hydraulics		Water-Jetting		Elimination entries		Interpump Group	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Assets by sector	2,155,531	2,071,141	942,278	831,227	(140,415)	(130,875)	2,957,394	2,771,493
Assets held for sale	-	1,291	-	-	-	-	-	1,291
<b>Assets of the sector (A)</b>	<b>2,155,531</b>	<b>2,072,432</b>	<b>942,278</b>	<b>831,227</b>	<b>(140,415)</b>	<b>(130,875)</b>	<b>2,957,394</b>	<b>2,772,784</b>
Cash and cash equivalents							348,982	358,275
<b>Total assets</b>							<b>3,306,376</b>	<b>3,131,059</b>
<b>Liabilities of the sector (B)</b>	<b>540,500</b>	<b>559,297</b>	<b>182,992</b>	<b>173,656</b>	<b>(140,415)</b>	<b>(130,875)</b>	<b>583,077</b>	<b>602,078</b>
Debts for the acquisition of equity investments							75,116	62,812
Payables to banks							37,623	30,928
Interest-bearing financial payables							837,497	869,131
<b>Total liabilities</b>							<b>1,533,313</b>	<b>1,564,949</b>
<b>Total assets, net (A-B)</b>	<b>1,615,031</b>	<b>1,513,135</b>	<b>759,286</b>	<b>657,571</b>	-	-	<b>2,374,317</b>	<b>2,170,706</b>
<b>Further information required by IFRS 8</b>								
Investments measured using the equity method	880	1,099	544	570	-	-	1,424	1,669
Non-current assets other than financial assets and deferred tax assets	1,186,560	1,118,921	431,396	386,680	-	-	1,617,956	1,505,601

The 3QYTD and 3Q comparison of the Hydraulic Sector on an unchanged perimeter basis is as follows:

	3QYTD		3Q	
	2023	2022	2023	2022
Revenues outside the Group	1,245,839	1,148,454	378,436	382,332
Inter-sector revenues	2,177	2,491	662	891
<b>Total revenues</b>	<b>1,248,016</b>	<b>1,150,945</b>	<b>379,098</b>	<b>383,223</b>
Cost of sales	(853,939)	(796,938)	(262,617)	(269,454)
<b>Gross industrial margin</b>	<b>394,077</b>	<b>354,007</b>	<b>116,481</b>	<b>113,769</b>
<i>% of revenues</i>	31.6%	30.8%	30.7%	29.7%
Other operating income	25,754	26,351	6,638	15,218
Distribution expenses	(76,160)	(72,283)	(23,544)	(23,974)
General and administrative expenses	(107,167)	(100,105)	(33,620)	(32,746)
Other operating costs	(3,576)	(14,751)	(1,128)	(7,948)
<b>EBIT</b>	<b>232,928</b>	<b>193,219</b>	<b>64,827</b>	<b>64,319</b>
<i>% of revenues</i>	18.7%	16.8%	17.1%	16.8%
Financial income	15,236	20,976	5,654	8,964
Financial charges	(26,267)	(20,531)	(6,139)	(7,559)
Equity method contribution	479	82	130	200
<b>Profit for the period before taxes</b>	<b>222,376</b>	<b>193,746</b>	<b>64,472</b>	<b>65,924</b>
Income taxes	(58,442)	(52,134)	(15,896)	(16,451)
<b>Consolidated profit for the period</b>	<b>163,934</b>	<b>141,612</b>	<b>48,576</b>	<b>49,473</b>
<b>Attributable to:</b>				
Shareholders of Parent	162,271	139,951	48,347	48,859
Minority shareholders of subsidiaries	1,663	1,661	229	614
<b>Consolidated profit for the period</b>	<b>163,934</b>	<b>141,612</b>	<b>48,576</b>	<b>49,473</b>

The 3QYTD and 3Q comparison of the Water-Jetting Sector at unchanged perimeter is as follows:

	3QYTD		3Q	
	2023	2022	2023	2022
Revenues outside the Group	435,226	396,485	141,080	136,315
Inter-sector revenues	3,870	3,006	1,209	937
<b>Total revenues</b>	<b>439,096</b>	<b>399,491</b>	<b>142,289</b>	<b>137,252</b>
Cost of sales	(239,444)	(217,035)	(76,173)	(74,457)
<b>Gross industrial margin</b>	<b>199,652</b>	<b>182,456</b>	<b>66,116</b>	<b>62,795</b>
<i>% of revenues</i>	45.5%	45.7%	46.5%	45.8%
Other operating income	5,383	6,511	1,797	2,161
Distribution expenses	(46,759)	(44,360)	(14,897)	(15,260)
General and administrative expenses	(49,839)	(47,201)	(16,117)	(15,444)
Other operating costs	(795)	(492)	(229)	(86)
<b>EBIT</b>	<b>107,642</b>	<b>96,914</b>	<b>36,670</b>	<b>34,166</b>
<i>% of revenues</i>	24.5%	24.3%	25.8%	24.9%
Financial income	8,366	6,111	3,445	2,419
Financial charges	(24,668)	(5,453)	(8,604)	(2,654)
Dividends	36,250	41,000	-	-
Equity method contribution	5	33	25	55
<b>Profit for the period before taxes</b>	<b>127,595</b>	<b>138,605</b>	<b>31,536</b>	<b>33,986</b>
Income taxes	(17,337)	(24,484)	(7,869)	(8,239)
<b>Consolidated profit for the period</b>	<b>110,258</b>	<b>114,121</b>	<b>23,667</b>	<b>25,747</b>
<b>Attributable to:</b>				
Shareholders of Parent	109,557	113,606	23,407	25,574
Minority shareholders of subsidiaries	701	515	260	173
<b>Consolidated profit for the period</b>	<b>110,258</b>	<b>114,121</b>	<b>23,667</b>	<b>25,747</b>

The cash flows by business sector during 3QYTD were as follows:

€/000	Hydraulics		Water-Jetting		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from:						
Operating activities	192,294	64,712	48,897	62,996	241,191	127,708
Investing activities	(108,407)	(75,062)	(53,986)	(34,427)	(162,393)	(109,489)
Financing activities	<u>(46,634)</u>	<u>(50,582)</u>	<u>(46,990)</u>	<u>8,212</u>	<u>(93,624)</u>	<u>(42,370)</u>
Total	<u>37,253</u>	<u>(60,932)</u>	<u>(52,079)</u>	<u>36,781</u>	<u>(14,826)</u>	<u>(24,151)</u>

Investing activities in the Hydraulic Sector included € 1,231 thousand associated with the acquisition of equity investments (€ 10,010 thousand in 3Q2022YTD). Investing activities in the Water-Jetting Sector included € 39,559 thousand associated with the acquisition of equity investments (€ 15,768 thousand in 3Q2022YTD).

The cash flows from the financing activities of the Water-Jetting Sector included proceeds from the sale of treasury shares to the beneficiaries of stock options totaling € 2,104 thousand (€ 9,591 thousand in 3Q2022YTD). There were no outlays for the purchase of treasury shares (€94,793 thousand in 3Q2022YTD), while dividend payments totaled € 32,533 thousand (€ 29,216 thousand in 3Q2022YTD). The financing activities of the Hydraulic Sector included the payment of dividends to companies in the Water-Jetting Sector totaling € 20,027 thousand (€20,500 thousand in 3Q2022YTD).

### 3. Acquisition of investments

Indoshell Automotive System India P.L. (now IPG Mouldtech India Pvt Ltd.), I.Mec S.r.l. and the Waikato Group were acquired during 2023.

The related PPAs (Purchase Price Allocations) have already been published, but not yet finalized; no significant changes are expected.

The PPA of Eurofluid Hydraulic S.r.l., also not yet finalized at 30 September 2023, remains unchanged with respect to that published in the Annual Financial Report at 31 December 2022.

### 4. Inventories and detail of changes in the Inventories allowance

	30/09/2023	31/12/2022
	€/000	€/000
Inventories, gross value	776,777	730,568
Allowance for inventories	<u>(49,889)</u>	<u>(46,749)</u>
Inventories	<u>726,888</u>	<u>683,819</u>

Changes in the allowance for inventories were as follows:

	3Q2023YTD	Year 2022
	€/000	€/000
Opening balances	46,749	42,757
Exchange rate difference	(162)	376
Change in consolidation basis	1,968	2,278
Provisions for the period	2,628	5,380
Releases in the year to cover losses	(851)	(3,599)
Release of excess provisions in the period	<u>(443)</u>	<u>(443)</u>
Closing balance	<u>49,889</u>	<u>46,749</u>

### 5. Property, plant and equipment

#### *Purchases and disposals*

Interpump Group acquired tangible fixed assets during 3Q2023YTD totaling € 154,592 thousand, of which € 11,136 thousand via the acquisition of equity investments (€ 90,366 thousand in 3Q2022YTD, of which € 483 thousand via the acquisition of equity investments). Assets with a net carrying amount of € 4,745 thousand were divested in 3Q2023YTD (€ 5,318 thousand in 3Q2022YTD). A net capital gain was realized on the divested assets of € 3,238 thousand (€ 4,016 thousand in 3Q2022YTD).

#### *Contractual commitments*

At 30 September 2023 the Group has contractual commitments for the purchase of tangible fixed assets totaling € 4,949 thousand (€ 4,321 thousand at 30 September 2022). This amount mainly reflects commitments signed for the renewal of installations and the construction of new buildings.

## 6. Assets held for sale

At 31 December 2022, the Group classified a building among the assets held for sale, with reference to a preliminary sale agreement that was completed during 3Q2023.

## 7. Shareholders' equity

### *Share capital*

Share capital comprises 108,879,294 ordinary shares with a unit par value of € 0.52 totaling € 56,617,232.88. However, the share capital reported in the financial statements amounts to € 55,622 thousand, since the nominal value of purchased treasury shares, net of those sold, has been deducted from share capital in compliance with the reference accounting standards. At 30 September 2023 Interpump S.p.A. holds 1,913,863 shares in the portfolio, corresponding to 1.758% of share capital, acquired at an average unit cost of € 38.7871.

### *Treasury shares purchased*

The amount of the treasury shares held by Interpump Group S.p.A. is recorded in an equity reserve. The Group did not acquire any treasury shares during 3Q2023YTD (2,080,000 treasury shares were purchased in 3Q2022YTD for € 94,793 thousand).

### *Treasury shares sold*

In the context of the stock option plans, a total of 74,000 options were exercised during the period, resulting in the receipt of € 2,104 thousand (a total of 694,180 options were exercised in 3Q2022YTD, with the collection of € 9,591 thousand).

### *Dividends*

An ordinary dividend (coupon clipping date of 22 May 2023) of € 0.30 per share was distributed on 24 May 2023 (€ 0.28 in 2022).

### *Stock options*

The Shareholders' Meeting held on 29 April 2022 approved a new stock option plan, the "Interpump Incentive Plan 2022/2024", that envisages the assignment of up to 2,250,000 options at an exercise price of € 38.6496 and, for options assigned after 29 April 2023, at the official price determined by Borsa Italiana on the trading day prior to their assignment. At the meeting held on 29 April 2022, the Board of Directors granted 1,620,000 options to Executive Chairman Fulvio Montipò and 45,000 options to Chief Executive Officer Fabio Marasi; while on 23 May 2022, 20 October 2022 and 28 April 2023, respectively 243,000, 6,000 and 35,000 options (including 15,000 for Chief Executive Officer Fabio Marasi) were granted to other beneficiaries. Overall, a total of 1,949,000 options have therefore been granted. The options can be exercised between 30 June 2025 and 31 December 2028. A total of 2,000 options were canceled in 3Q2023YTD (7,000 in 2022).

The fair value of the stock options granted during 2023 and the actuarial assumptions utilized in the binomial lattice model are as follows:

	Unit of measurement	
Number of shares granted	no.	35,000
Grant date		28 April 2023
Exercise price		38.6496
Vesting date		30 June 2025
Fair value per option at the grant date	€	16.011
Expected volatility (expressed as the weighted average of the volatility values utilized in construction of the binomial lattice model)	%	34
Expected average duration of the plan life	years	3.93
Expected dividends (compared with share value)	%	1.00
Risk-free interest rate (calculated by linear interpolation of the Eur Composite AA rates at 28 April 2023)	%	3.5748

## 8. Financial income and charges

The first nine months are analyzed as follows:

	2023	2022
	<u>€/000</u>	<u>€/000</u>
<u>Financial income</u>		
Interest income from liquid funds	2,350	408
Interest income from other assets	275	67
Exchange gains	17,293	25,510
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	327	166
Other financial income	<u>87</u>	<u>123</u>
Total financial income	<u>20,332</u>	<u>26,274</u>
<u>Financial charges</u>		
Interest expense on bank loans	22,600	2,640
Lease interest expense	2,610	2,205
Interest expense on put options	2,339	349
Financial charges for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	1,966	3,009
Foreign exchange losses	19,850	16,486
Other financial charges	<u>190</u>	<u>482</u>
Total financial charges	<u>49,555</u>	<u>25,171</u>
Total financial charges (income), net	<u>29,223</u>	<u>(1,103)</u>



The breakdown for 3Q is as follows:

	2023	2022
	<u>€/000</u>	<u>€/000</u>
<u>Financial income</u>		
Interest income from liquid funds	1,007	173
Interest income from other assets	108	17
Exchange gains	5,935	10,825
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	295	-
Other financial income	<u>37</u>	<u>102</u>
Total financial income	<u>7,382</u>	<u>11,117</u>
<u>Financial charges</u>		
Interest expense on bank loans	8,900	1,755
Lease interest expense	964	959
Interest expense on put options	691	92
Financial charges for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	1,439	2
Foreign exchange losses	1,962	7,100
Other financial charges	<u>80</u>	<u>39</u>
Total financial charges	<u>14,036</u>	<u>9,947</u>
Total financial charges (income), net	<u>6,654</u>	<u>(1,170)</u>

## 9. Earnings per share

### Basic earnings per share

Basic earnings per share are calculated as the consolidated net profit attributable to the owners of the Parent Company divided by the weighted average number of ordinary shares, as follows:

<i>First nine months</i>	<u>2023</u>	<u>2022</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>238,202</u>	<u>212,557</u>
Average number of shares in circulation	106,931,199	105,603,963
Basic earnings per share for the period (€)	<u>2.228</u>	<u>2.013</u>
 <i>3Q</i>	 <u>2023</u>	 <u>2022</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>71,623</u>	<u>74,433</u>
Average number of shares in circulation	106,964,331	104,989,939
Basic earnings per share for the quarter (€)	<u>0.670</u>	<u>0.709</u>

### Diluted earnings per share

Diluted earnings per share are calculated on the basis of diluted consolidated profit for the period attributable to the Parent company's shareholders, divided by the weighted average number of ordinary shares in circulation adjusted by the number of potentially dilutive ordinary shares. The calculation is as follows:

<i>First nine months</i>	<u>2023</u>	<u>2022</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>238,202</u>	<u>212,557</u>
Average number of shares in circulation	106,931,199	105,603,963
Number of potential shares for stock option plans (*)	<u>434,642</u>	<u>844,379</u>
Average number of shares (diluted)	<u>107,365,841</u>	<u>106,448,342</u>
Earnings per diluted share for the period (€)	<u>2,219</u>	<u>1,997</u>
 <i>3Q</i>	 <u>2023</u>	 <u>2022</u>
Consolidated net profit attributable to the owners of the Parent company (€/000)	<u>71,623</u>	<u>74,433</u>
Average number of shares in circulation	106,964,331	104,989,939
Number of potential shares for stock option plans (*)	<u>362,830</u>	<u>479,655</u>
Average number of shares (diluted)	<u>107,327,161</u>	<u>105,469,594</u>
Earnings per diluted share for the quarter (€)	<u>0.667</u>	<u>0.706</u>

(\*) calculated as the number of shares assigned for in-the-money stock option plans multiplied by the ratio of the difference between the average share price during the period and the exercise price on the numerator, to the average share price during the period on the denominator.

## 10. Transactions with related parties

The Group has relations with non-consolidated subsidiaries and other related parties at arm's length conditions considered to be normal in the respective reference markets, taking account of the characteristics of the goods and services rendered. Transactions between Interpump Group S.p.A. and its consolidated subsidiaries, which are related parties of the company, were eliminated from the interim consolidated financial statements and are not detailed in these notes.

The effects on the consolidated income statements for the first nine months of 2023 and 2022 are shown below:

(€/000)	3Q2023YTD					Total related parties	% incidence on F.S. caption
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties			
Revenues	1,720,442	569	-	767	1,336	0.1%	
Cost of sales	1,113,270	325	-	5,067	5,392	0.5%	
Other operating income	31,225	3	-	-	3	0.0%	
Distribution expenses	125,783	119	-	572	691	0.5%	
G&A expenses	161,194	-	-	486	486	0.3%	
Financial charges	49,555	-	-	477	477	1.0%	

(€/000)	3Q2022YTD					Total related parties	% incidence on F.S. caption
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties			
Revenues	1,544,939	1,300	-	548	1,848	0.1%	
Cost of sales	1,008,462	824	-	5,141	5,965	0.6%	
Other operating income	32,167	3	-	-	3	0.0%	
Distribution expenses	116,277	30	-	622	652	0.6%	
G&A expenses	146,991	-	-	491	491	0.3%	
Financial charges	25,171	-	-	225	225	0.9%	

The effects on the consolidated statement of financial position at 30 September 2023 and 2022 are described below:

(€/000)	30 September 2023						% incidence on F.S. caption
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties		
Trade receivables	459,554	1,444	-	300	1,744	0.4%	
Trade payables	278,798	58	-	685	743	0.3%	
Interest-bearing financial payables (current and non-current portions)	837,497	-	-	15,527	15,527	1.9%	

(€/000)	30 September 2022						% incidence on F.S. caption
	Consolidated Total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties		
Trade receivables	430,997	1,668	-	344	2,012	0.5%	
Trade payables	295,110	109	-	1,375	1,484	0.5%	
Interest-bearing financial payables (current and non-current portions)	925,861	-	-	17,044	17,044	1.8%	

*Relations with non-consolidated subsidiaries*

Relations with non-consolidated subsidiaries are as follows:

(€/000)	Receivables		Revenues	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	Interpump Hydraulics Perù	1,288	1,313	305
Interpump Hydraulics Russia	68	161	169	845
General Pump China Inc.	88	214	98	140
<i>Total subsidiaries</i>	<u>1,444</u>	<u>1,688</u>	<u>572</u>	<u>1,302</u>

(€/000)	Payables		Costs	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	General Pump China Inc.	52	100	438
Interpump Hydraulics Perù	6	9	6	5
Interpump Hydraulics Russia	-	-	-	-
<i>Total subsidiaries</i>	<u>58</u>	<u>109</u>	<u>444</u>	<u>855</u>

*Relations with associates*

The Group does not hold investments in associated companies.

*Transactions with other related parties*

The 3Q2023YTD income statement includes consultancy provided by entities associated with the directors and statutory auditors of Group companies totaling € 35 thousand (€ 43 thousand in 3Q2022YTD). The consultancy costs incurred in 3Q2023YTD have been allocated in full to general and administrative expenses (also in 3Q2022YTD). Revenues in the period to 30 September 2023 included revenues from sales to companies held by Group shareholders or directors totaling € 767 thousand (€ 548 thousand in the first nine months of 2022). In addition, the cost of sales includes purchases from companies controlled by minority shareholders or the directors of Group companies totaling € 4,805 thousand (€ 4,796 thousand in 3Q2022YTD).

**11. Disputes, Contingent liabilities and Contingent assets**

The Parent company and some of its subsidiaries are directly involved in lawsuits for limited amounts. The settlement of said lawsuits is not expected to generate any significant liabilities for the Group that are not covered by the risk provisions already made. There are no substantial changes to report in relation to the disputes or contingent liabilities that were outstanding at 31 December 2022.