

# **Interim Report on Operations for Q1 2024**



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



## **Contents**

	Page
Composition of corporate bodies	5
Interpump Group Organization Chart at 31 March 2024	7
Interim Report on Operations:	
Directors' remarks on performance in Q1 2024	11
Financial statements and notes	23

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



## **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  
*Chairperson*

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 Nomination Committee*

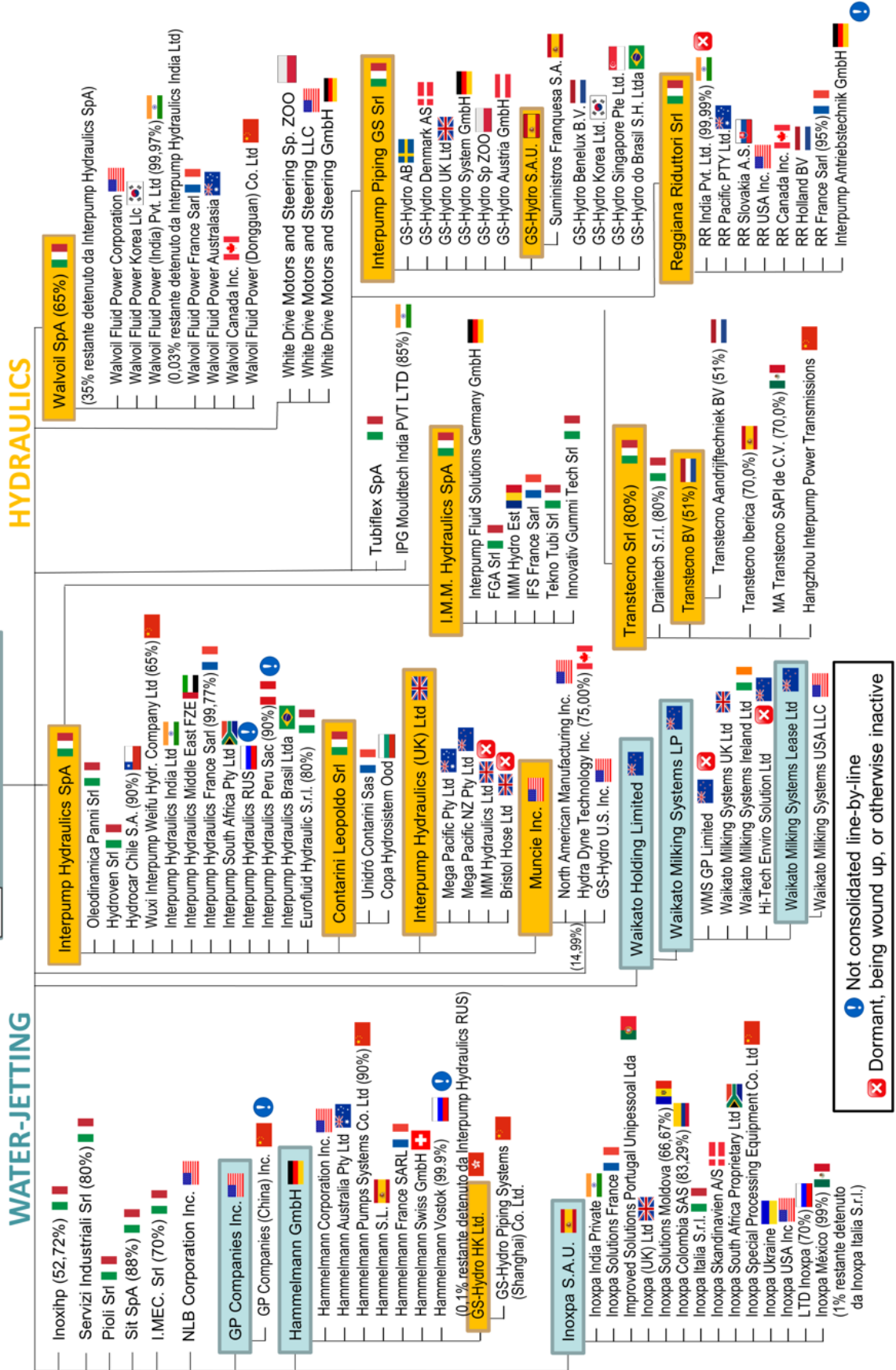
*(c) Member of the Related Party Transactions Committee*

*(d) Member of the Sustainability Committee*



# Group Structure

as at 31/03/2024  
all holdings 100% unless otherwise specified



ⓘ Not consolidated line-by-line  
ⓧ Dormant, being wound up, or otherwise inactive





## **Interim Report on Operations**



**Directors' remarks on performance  
in Q1 2024**

## ALTERNATIVE PERFORMANCE MEASURES

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 accounting period described in this Interim Report on Operations and the comparative periods, and not to expected performance, and must not be considered as substitutes for the indicators required by the reference accounting standards (IFRS). Finally, these alternative indicators are formulated consistently, using the same definitions and presentations for all periods for which financial information is included in this Interim Report on Operations.

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:** calculated as the sum of the net financial position and debts for the acquisition of equity investments;
- **Capital expenditure (CAPEX):** the sum of investments in tangible and intangible fixed assets, net of divestments;
- **Free cash flow:** the cash flow available for the Group, defined as the difference between the cash flow of operating activities and the cash flow 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.

## Q1 consolidated income statements

(€/000)	2024	2023
<b>Revenues</b>	<b>545,867</b>	<b>592,345</b>
Cost of sales	(354,191)	(380,971)
<b>Gross profit</b>	<b>191,676</b>	<b>211,374</b>
<i>% of revenues</i>	<i>35.1%</i>	<i>35.7%</i>
Other operating income	8,501	10,332
Distribution expenses	(42,133)	(42,191)
General and administrative expenses	(56,453)	(53,640)
Other operating costs	(1,792)	(1,279)
<b>EBIT</b>	<b>99,799</b>	<b>124,596</b>
<i>% of revenues</i>	<i>18.3%</i>	<i>21.0%</i>
Financial income	7,883	5,894
Financial expenses	(15,774)	(16,134)
Equity method contribution	114	150
<b>Profit for the period before taxes</b>	<b>92,022</b>	<b>114,506</b>
Income taxes	(24,470)	(28,472)
<b>Consolidated profit for the period</b>	<b>67,552</b>	<b>86,034</b>
<i>% of revenues</i>	<i>12.4%</i>	<i>14.5%</i>
<b>Attributable to:</b>		
Shareholders of Parent	67,236	85,121
Minority shareholders of subsidiaries	316	913
<b>Consolidated profit for the period</b>	<b>67,552</b>	<b>86,034</b>
<b>EBITDA</b>	<b>127,375</b>	<b>149,642</b>
<i>% of revenues</i>	<i>23.3%</i>	<i>25.3%</i>
Shareholders' equity	1,881,133	1,642,873
Net financial position	452,800	533,891
Debts for the acquisition of equity investments	78,858	65,024
Capital employed	2,412,791	2,241,788
<b>ROCE</b>	<b>4.1%</b>	<b>5.6%</b>
<b>ROE</b>	<b>3.6%</b>	<b>5.2%</b>
<b>Basic earnings per share</b>	<b>0.629</b>	<b>0.796</b>

## **EVENTS OCCURRING IN THE QUARTER**

The growth prospects for the world economy were hampered during the early months of the year by the heightened level of uncertainty. Given persistent troubles in the principal conflict zones, the re-routing of global trade could have a significant supply-side impact, with higher shipping costs and extended delivery times. Should these scenarios continue or even escalate, such higher shipping costs could permeate the international supply chains and create new inflationary pressures. On the other hand, world trade remains weak with low levels of demand and high inventory levels, thus mitigating the transfer of higher costs to production and consumer prices.

The macroeconomic indicators available for the first few months of the year, covering the major economies, indicate that:

- in the Eurozone, economic activity remained weak with constrained growth prospects, although consumer confidence has continued to grow since last November, in February reaching its highest level since June 2023;
- in the United States, economic activity showed initial signs of weakness, while consumption remained robust and employment grew more than expected;
- in China, economic performance was less dynamic than forecast, despite moderately positive signs, with growth falling below pre-pandemic levels due, not least, to a deterioration in the crisis afflicting the property sector, where both the private sector and local authorities are burdened by high indebtedness.

The OECD projections for the current year expected global GDP growth to slow to 2.7%, with inflation, although easing in the major economies, remaining higher than the targets set by the central banks.

In this context, with ongoing disruptions and uncertainties, the Interpump Group continued to generate excellent results during the first quarter of 2024, which, although lower than those achieved in the same period of 2023, remain significantly positive with regard to revenues, margins and cash generation.

When reading the data presented in this Interim Report on Operations, it must be remembered that, when comparing Q1 2024 with Q1 2023, the latter performed especially well and was among the best quarters in the history of the Group.

Revenues totaled € 545.9 million, down by 7.8% compared to Q1 2023 when they reached € 592.3 million. Analysis by business sector shows that revenues in the Hydraulic sector were 12.3% lower than in Q1 2023, while those in the Water-Jetting sector grew by 5.7%.

EBITDA was € 127.4 million, equivalent to 23.3% of revenues, following a contraction of 14.9%. EBITDA was € 149.6 million in Q1 2023 (25.3% of revenues).

As stated in the Interim Report on Operations at 31 March 2023, the income statement for that quarter benefited from insurance proceeds of € 3.6 million.

Excluding this effect, EBITDA for Q1 2024 was 12.8% lower than the adjusted amount for the comparative period in the previous year.

Despite pursuing major investment plans, the Group was able to generate free cash flow of € 34.2 million in Q1 2024, compared with € 14.1 million in Q1 2023.

The net financial position (NFP) was € 452.8 million at the reporting date, compared with € 533.9 million at the end of Q1 2023.

Net profit for Q1 2024 was € 68 million (€ 86 million in Q1 2023).

The exposure of the Group to the countries involved in the Russia-Ukraine conflict remains moderate. Specifically, revenues totaled € 4.6 million in Q1 2024 (€ 5.6 million in Q1 2023), with outstanding receivables at 31 March 2024 of € 2.6 million (€ 2.4 million at 31 March 2023).

As indicated in the section dedicated to “*Events occurring after the close of the year*” in the report on operations accompanying the Annual Financial Report for 2023, on 31 January 2024 Interpump Group announced the signature of an agreement with PGIM Inc. for a Note Purchase and Private Shelf Agreement (“Shelf Facility”) amounting to US\$ 300 million, and the simultaneous issue, in the form of a US Private Placement, of initial bonds backed by the above facility totaling € 100 million.

In particular, the Shelf Facility agreement grants the Group the right, but not the obligation, to issue bonds totaling a maximum of US\$ 300 million over the next 3 years, on the same contractual conditions as those negotiated initially, with pricing to be determined at the time of each drawdown and a maximum duration of 20 years.

At the same time, senior unsecured bonds totaling € 100 million were issued in a single tranche, with maturity in 10 years (January 2034), an average duration from issue of 8 years, and a six-monthly coupon of 4.17%. These bonds, placed with funds managed by *Pricoa Private Capital* - the private capital division of PGIM Inc, which is the global investment manager of Prudential Financial Inc., a US insurance company - pay a six-monthly coupon at a fixed rate, do not have a rating and will not be listed in regulated markets.

## REVENUES

Revenues in Q1 2024 totaled € 545.9 million, down by 7.8% compared with € 592.3 million in Q1 2023 (-9.6% at constant perimeters and -9.2% also net of exchange differences).

Revenues by business sector and geographical area were as follows:

### Q1 2024

(€/000)	<u>Italy</u>	<u>Rest of Europe</u>	<u>North America</u>	<u>Far East and Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
Hydraulic	70,614	133,412	112,437	38,691	36,574	391,728
Water-Jetting	14,486	58,943	48,452	19,477	12,781	154,139
<b>Total</b>	<b>85,100</b>	<b>192,355</b>	<b>160,889</b>	<b>58,168</b>	<b>49,355</b>	<b>545,867</b>

### Q1 2023

Hydraulic	85,432	164,380	118,873	43,659	34,140	446,484
Water-Jetting	14,108	54,596	46,281	14,674	16,202	145,861
<b>Total</b>	<b>99,540</b>	<b>218,976</b>	<b>165,154</b>	<b>58,333</b>	<b>50,342</b>	<b>592,345</b>

### 2024/2023 percentage changes

Hydraulic	-17.3%	-18.8%	-5.4%	-11.4%	+7.1%	-12.3%
Water-Jetting	+2.7%	+8.0%	+4.7%	+32.7%	-21.1%	+5.7%
<b>Total</b>	<b>-14.5%</b>	<b>-12.2%</b>	<b>-2.6%</b>	<b>-0.3%</b>	<b>-2.0%</b>	<b>-7.8%</b>

The changes at constant perimeters are as follows:

### 2024/2023 percentage changes

Hydraulic	-17.3%	-18.8%	-5.4%	-11.4%	+6.4%	-12.3%
Water-Jetting	-17.0%	+6.4%	+1.4%	+3.5%	-25.7%	-1.3%
<b>Total</b>	<b>-17.3%</b>	<b>-12.6%</b>	<b>-3.5%</b>	<b>-7.6%</b>	<b>-3.9%</b>	<b>-9.6%</b>

## PROFITABILITY

The cost of sales accounted for 64.9% of revenues (64.3% in Q1 2023). Production costs, which totaled € 144.9 million (€ 151.2 million in Q1 2023, which however did not include the costs of I.Mec S.r.l., the Waikato group and IPG Mouldtech India Pvt Ltd), accounted for 26.5% of revenues (25.5% in the same period of 2023). At constant perimeters, they absorbed 26.7% of revenues.

The purchase cost of raw materials and components sourced on the market, including changes in inventories, was € 209.3 million (€ 229.7 million in the same period of 2023, which however did not include the costs of I.Mec S.r.l., the Waikato group and IPG Mouldtech India Pvt Ltd). The incidence of purchase costs, including the change in inventories, was 38.3% (38.8% in Q1 2023).

Notably, purchases and the changes in inventories fell by more than the decrease in revenues, declining by 8.9% (10.7% at constant perimeters). This highlights the considerable ability of the Group to address reductions in the volume of sales, with timely action designed to optimize the management of costs and working capital.

Distribution costs were 3.3% lower at constant perimeters (-2.7% net of exchange differences) with respect to Q1 2023, with an incidence on revenues of 7.6% (compared with 7.1% in Q1 2023).



At constant perimeters, general and administrative expenses were 1.5% higher than in Q1 2023 (+1.8% net of exchange differences), while their incidence on revenues rose by 1.1%.

Payroll costs totaled € 120.1 million (€ 116.2 million in Q1 2023, which however did not include the costs of I.Mec S.r.l., the Waikato group and IPG Mouldtech India Pvt Ltd).

At constant perimeters, payroll costs amounted to € 117.7 million, up by 1.3% due to a 1.6% increase in per capita cost and despite a reduction of 19.2 in the average number of employees.

The average total number of Group employees in Q1 2024 was 9,291 (9,019 at constant perimeters), compared with 9,038 in Q1 2023. The increase in the average headcount during Q1 2024 can be broken down as follows: +91 in Europe, -31 in the US and +193 in the Rest of the World. In addition, the Group employed 1.550 temporary workers during the period (1.671 in Q1 2023) at a cost of € 7.6 million (€ 11.1 million in Q1 2023).

EBITDA was € 127.4 million (23.3% of revenues) compared with € 149.6 million in Q1 2023 (25.3% of revenues). The following table sets out EBITDA by business sector:

	<i>Q1 2024</i>	<i>% on</i>	<i>Q1 2023</i>	<i>% on</i>	
	<i>€/000</i>	<i>total</i>	<i>€/000</i>	<i>total</i>	<i>Increase/</i>
		<i>revenues*</i>		<i>revenues*</i>	<i>Decrease</i>
Hydraulic	85,553	21.8%	108,727	24.3%	-21.3%
Water-Jetting	41,822	26.8%	40,915	27.8%	+2.2%
<b>Total</b>	<b>127,375</b>	<b>23.3%</b>	<b>149,642</b>	<b>25.3%</b>	<b>-14.9%</b>

\* = Total revenues include those relating to other Group companies, 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.

As stated earlier, Q1 2023 benefited from insurance proceeds of € 3.6 million attributable entirely to the Hydraulic Sector.

Excluding this amount, total EBITDA would have been 12.8% lower, while that of the Hydraulic sector would have been 18.6% lower.

EBIT amounted to € 99.8 million (18.3% of revenues) compared with € 124.6 million in Q1 2023 (21.0% of revenues), down by 19.9%.

The tax rate for the period was 26.6% (24.9% in Q1 2023).

Net profit for Q1 2024 was € 67.6 million (€ 86.0 million in Q1 2023), reflecting a decrease of 21.5%. Basic earnings per share fell from € 0.796 in Q1 2023 to € 0.629 in Q1 2024.

Capital employed increased from € 2,370.6 million at 31 December 2023 to € 2,412.8 million at 31 March 2024, reflecting the continued pursuit of major investment plans.

Non-annualized ROCE was 4.1% (5.6% in Q1 2023).

Non-annualized ROE was 3.6% (5.2% in Q1 2023).

## CASH FLOW

The change in net indebtedness breaks down as follows:

	<i>2024</i>	<i>2023</i>
	<u>€/000</u>	<u>€/000</u>
<b>Opening net financial position</b>	<b>(486,497)</b>	<b>(541,784)</b>
Net opening financial position of companies consolidated for the first time	-	(1,274)
<b>Adjusted opening net financial position</b>	<b>(486,497)</b>	<b>(543,058)</b>
Cash flows from operating activities	110,374	131,264
Principal portion of leasing installments paid	(4,757)	(5,065)
Cash flow generated (absorbed) by the management of operating capital	(34,120)	(60,941)
Cash flow generated (absorbed) by other current assets and liabilities	1,904	(9,075)
Capital expenditure on tangible fixed assets	(39,731)	(39,576)
Proceeds from the sale of tangible fixed assets	1,598	684
Increase in intangible fixed assets	(1,383)	(1,234)
Financial income received	869	509
Other	(587)	(2,457)
<b>Free cash flow</b>	<b>34,167</b>	<b>14,109</b>
Acquisition of equity investments, including received debt and net of treasury shares assigned	(3,056)	(7,269)
Dividends paid	-	(441)
Purchase of treasury shares	-	-
Proceeds from the sale of treasury shares to stock option beneficiaries	14	442
Principal portion of leasing installments paid	4,757	5,065
Principal portion of new leasing contracts arranged	(1,900)	(3,561)
Restatement and early redemption of leasing contracts	290	384
Change in other financial assets	(132)	(46)
<b>Net cash generated (used)</b>	<b>34,140</b>	<b>8,683</b>
Exchange differences	(443)	484
<b>Closing net financial position</b>	<b>(452,800)</b>	<b>(533,891)</b>

Net liquidity generated by operating activities totaled € 110.4 million (€ 131.3 million in Q1 2023), a decrease of 15.9%. Free cash flow increased markedly to € 34.2 million (€ 14.1 million in Q1 2023), despite ongoing major planned investments and assisted by the reduction in working capital absorption.

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

	31/03/2024	31/12/2023	31/03/2023	01/01/2023
	€/000	€/000	€/000	€/000
Cash and cash equivalents	440,083	334,483	336,734	358,275
Payables to banks (advances and STC amounts)	(53,864)	(52,469)	(39,436)	(30,928)
Interest-bearing financial payables (current portion)	(261,749)	(264,911)	(272,175)	(288,456)
Interest-bearing financial payables (non-current portion)	(577,270)	(503,600)	(559,014)	(580,675)
<i>Net financial position</i>	<i>(452,800)</i>	<i>(486,497)</i>	<i>(533,891)</i>	<i>(541,784)</i>
Commitments for the purchase of equity investments (current portion)	(35,667)	(38,354)	(9,166)	(844)
Commitments for the purchase of equity investments (non-current portion)	(43,191)	(42,810)	(55,858)	(61,968)
<b>Total net indebtedness</b>	<b>(531,658)</b>	<b>(567,661)</b>	<b>(598,915)</b>	<b>(604,596)</b>

## CAPITAL EXPENDITURE

Investments in property, plant and equipment totaled € 42.6 million (€ 48.5 million in Q1 2023), reflecting the ongoing major investment plans, as broken down below:

€/000	Q1 2024	Q1 2023
Increases for the purchase of fixed assets used in the production process	37,584	37,017
Increases for machinery rented to customers	3,111	3,787
Leased assets	1,900	3,561
<i>Capex</i>	<i>42,595</i>	<i>44,365</i>
Increases through the acquisition of equity investments	-	4,136
<b>Total increases in the period</b>	<b>42,595</b>	<b>48,501</b>

Additions in Q1 2024 included € 19.0 million invested in land and buildings (€ 12.2 million in Q1 2023).

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

The increase in intangible fixed assets of € 3.7 million (€ 1.4 million in Q1 2023) included € 2.3 million relating to the first-time consolidation of the “I.Mec S.r.l.” brand. This followed an appraisal of its fair value, as reflected in the purchase price allocation - definitive at 31 March 2024 - and detailed further below in the explanatory notes.

## **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 Italian Legislative 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 with related parties is given in Note 9 of this Interim Report on Operations at 31 March 2024. Overall, no atypical or unusual transactions took place with related parties during Q1 2024 and the transactions that did take place were completed on an arm’s-length basis.

## **CHANGES IN GROUP STRUCTURE IN Q1 2024**

Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC were liquidated during Q1 2024.

In the Water-Jetting sector, the Group acquired an additional 8% of SIT S.p.A. in Q1 2024 and now holds an 88% interest in that company.

## EVENTS OCCURRING AFTER THE END OF Q1 2024

On 9 April 2024 the Group announced the acquisition, via Inoxpa S.A.U., of a 60% equity interest in Process Partner China Co., Ltd. and an increase to 60%<sup>1</sup> of its stake in YRP (Shanghai) Flow Technology Co., Ltd., both businesses operating in China. Process Partner was founded in 2015 and specializes in the production and sale of plant and complete solutions for the food processing industry, especially dairy. With support from the Inoxpa Group, YRP Flow Technology was formed in 2016 to distribute components, valves, pumps and actuators in China, as the exclusive distributor for the Inoxpa Group in the region. Together, the two businesses generated revenues of almost € 11 million in 2023, with an EBITDA margin of about 10%. On the one hand, the Group enters the Chinese plant engineering market via these transactions while, on the other, it expands the opportunities for further market penetration since, following many years of mutual collaboration, the local management team has accumulated comprehensive knowledge of the products concerned. The current shareholders will remain involved in the activities of the acquired companies. The total price paid for the two businesses was € 2.9 million.

On 22 April 2024, Interpump Group announced the acquisition, through Interpump Hydraulics Ltd., of the entire share capital of Alltube Engineering Ltd., a British operator in the hydraulic hoses and fittings sector. Founded in 1986, the company specializes in the processing of rigid and flexible hydraulic hoses: backed by decades of design and manufacturing experience, the services offered by Alltube include bending, welding, brazing, ring rolling, tube forming, flushing, pressure testing and swaging. In the previous year<sup>2</sup>, the company generated revenues of about € 5 million, with an EBITDA margin of about 15%. The total paid for the transaction was € 2.3 million.

Via Alltube, the Group establishes an important presence for the development of the UK market.

The Shareholders' Meeting of Interpump Group S.p.A., held on 26 April 2024, approved the 2023 financial statements and declared a dividend of € 0.32 per share. The meeting also:

- approved the second section of the Report on remuneration policy pursuant to art. 123-(3) of Italian Legislative Decree 58/98 and on the remuneration paid to the directors in the 2023 financial year;
- acknowledged the Consolidated Non-Financial Statement for the 2023 financial year;
- authorized the Board of Directors, for a period of eighteen months from the date of the shareholders' resolution, to purchase the maximum number of treasury shares permitted by the law in force at the time, at a maximum unit price of € 85.0, and to dispose of any treasury shares already purchased or that will be acquired in the future in execution of said authorization.

No atypical or unusual transactions occurred after the end of Q1 2024 that would require mention in these Statements or changes to the consolidated financial statements at 31 March 2024.

Sant'Ilario d'Enza (RE), 15 May 2024

For the Board of Directors  
Fulvio Montipò

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<sup>1</sup> Through Inoxpa SAU, the Group already held 10% of YRP (Shanghai) Flow Technology Co.

<sup>2</sup>Financial year from 31 October 2022 to 31 October 2023

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), 15 May 2024

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>31/03/2024</u>	<u>31/12/2023</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		440,083	334,483
Trade receivables		450,776	414,787
Inventories	4	702,603	696,428
Tax receivables		47,144	46,306
Other current assets		30,050	27,693
<b>Total current assets</b>		<b><u>1,670,656</u></b>	<b><u>1,519,697</u></b>
<b>Non-current assets</b>			
Property, plant and equipment	5	803,781	785,911
Goodwill	1	787,307	784,571
Other intangible fixed assets		71,161	70,773
Other financial assets		3,391	3,293
Tax receivables		3,165	4,297
Deferred tax assets		72,254	72,509
Other non-current assets		2,849	2,912
<b>Total non-current assets</b>		<b><u>1,743,908</u></b>	<b><u>1,724,266</u></b>
Assets held for sale		-	-
<b>Total assets</b>		<b><u>3,414,564</u></b>	<b><u>3,243,963</u></b>

(€/000)	<u>Notes</u>	<u>31/03/2024</u>	<u>31/12/2023</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables		263,274	262,941
Payables to banks		53,864	52,469
Interest-bearing financial payables (current portion)		261,749	264,911
Tax liabilities		55,992	39,323
Other current liabilities		160,383	159,029
Provisions for risks and charges		8,357	8,525
<b>Total current liabilities</b>		<b><u>803,619</u></b>	<b><u>787,198</u></b>
<b>Non-current liabilities</b>			
Interest-bearing financial payables		577,270	503,600
Liabilities for employee benefits		20,838	21,061
Deferred tax liabilities		58,251	54,524
Tax liabilities		166	331
Other non-current liabilities		60,777	60,990
Provisions for risks and charges		12,510	13,355
<b>Total non-current liabilities</b>		<b><u>729,812</u></b>	<b><u>653,861</u></b>
<b>Total liabilities</b>		<b><u>1,533,431</u></b>	<b><u>1,441,059</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6	55,625	55,625
Legal reserve		11,323	11,323
Share premium reserve		48,273	46,938
Remeasurement reserve for defined benefit plans		(5,945)	(5,922)
Translation reserve		21,356	11,850
Other reserves		1,741,144	1,673,764
<b>Group shareholders' equity</b>		<b><u>1,871,776</u></b>	<b><u>1,793,578</u></b>
Non-controlling interests		9,357	9,326
<b>Total shareholders' equity</b>		<b><u>1,881,133</u></b>	<b><u>1,802,904</u></b>
<b>Total shareholders' equity and liabilities</b>		<b><u>3,414,564</u></b>	<b><u>3,243,963</u></b>

## Q1 consolidated income statements

(€/000)	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		<b>545,867</b>	<b>592,345</b>
Cost of sales		(354,191)	(380,971)
<b>Gross profit</b>		<b>191,676</b>	<b>211,374</b>
Other net revenues		8,501	10,332
Distribution expenses		(42,133)	(42,191)
General and administrative expenses		(56,453)	(53,640)
Other operating costs		(1,792)	(1,279)
<b>EBIT</b>		<b>99,799</b>	<b>124,596</b>
Financial income	7	7,883	5,894
Financial expenses	7	(15,774)	(16,134)
Equity method contribution		114	150
<b>Profit for the period before taxes</b>		<b>92,022</b>	<b>114,506</b>
Income taxes		(24,470)	(28,472)
<b>Consolidated profit for the period</b>		<b>67,552</b>	<b>86,034</b>
<b>Attributable to:</b>			
Shareholders of Parent		67,236	85,121
Minority shareholders of subsidiaries		316	913
<b>Consolidated profit for the period</b>		<b>67,552</b>	<b>86,034</b>
Basic earnings per share	8	0.629	0.796
Diluted earnings per share	8	0.627	0.793

**Q1 consolidated statement of comprehensive income**

(€/000)	<u>2024</u>	<u>2023</u>
<b>Consolidated profit (A)</b>	<b>67,552</b>	<b>86,034</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>	9,637	(10,760)
<i>Gains (losses) from companies accounted for using the equity method</i>	(95)	103
<i>Applicable taxes</i>	-	-
<b>Total other comprehensive income (losses) which will subsequently be reclassified to consolidated profit, net of the tax effect (B)</b>	<b>9,542</b>	<b>(10,657)</b>
<i>Profit (Loss) deriving from the remeasurement of defined benefit plans</i>	(30)	-
<i>Applicable taxes</i>	7	-
<b>Total other comprehensive profit (loss) that will not be subsequently reclassified to consolidated profit (C)</b>	<b>(23)</b>	<b>-</b>
<b>Comprehensive consolidated profit for the period (A) + (B) + (C)</b>	<b>77,071</b>	<b>75,377</b>
<b>Attributable to:</b>		
Shareholders of Parent	76,742	74,615
Minority shareholders of subsidiaries	329	762
<b>Comprehensive consolidated profit for the period</b>	<b><u>77,071</u></b>	<b><u>75,377</u></b>

## Q1 consolidated cash flow statements

(€/000)	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Profit before taxes	92,023	114,506
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(1,945)	(1,198)
Amortization and depreciation, impairment and reinstatement of assets	26,950	24,410
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	1,321	1,263
Losses (profits) from equity investments	(114)	(150)
Net change in risk provisions and allocations to employee benefit provisions	(1,194)	574
Expenditures for tangible fixed assets to be leased	(3,111)	(3,909)
Proceeds from the disposal of leased tangible fixed assets	5,018	2,119
Net financial expenses (revenues)	7,891	10,240
	<u>126,839</u>	<u>147,855</u>
(Increase) decrease in trade receivables and other current assets	(36,396)	(46,180)
(Increase) decrease in inventories	(1,867)	(26,874)
Increase (decrease) in trade payables and other current liabilities	6,047	3,038
Interest paid	(10,062)	(4,966)
Realized exchange differences	1,118	(1,500)
Taxes paid	(7,521)	(10,125)
<b>Net cash from operating activities</b>	<u>78,158</u>	<u>61,248</u>
<b>Cash flows from investing activities</b>		
Payments for the purchase of equity investments, net of cash received and net of treasury shares assigned	(3,056)	(7,269)
Capital expenditure on property, plant and equipment	(39,731)	(39,576)
Proceeds from the sale of tangible fixed assets	1,598	684
Increase in intangible fixed assets	(1,383)	(1,234)
Financial income received	869	509
Other	(152)	(501)
<b>Net cash (used in) investing activities</b>	<u>(41,855)</u>	<u>(47,387)</u>
<b>Cash flows from financing activities</b>		
Disbursals (repayments) of loans and bonds	71,947	(37,533)
Dividends paid	-	(441)
Disbursements for purchase of treasury shares	-	-
Proceeds from the sale of treasury shares to stock option beneficiaries	14	442
Change in other financial assets	(132)	(46)
Payment of finance lease installments (principal)	(4,757)	(5,065)
<b>Net cash generated by (used in) financing activities</b>	<u>(67,072)</u>	<u>(42,643)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>103,375</u>	<u>(28,782)</u>

*Interim Report on Operations at 31 March 2024 – Interpump Group*

(€/000)	<i>2024</i>	<i>2023</i>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>103,375</b>	<b>(28,782)</b>
Translation differences for cash held by non-EU companies	830	(1,267)
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	282,014	327,347
<b>Cash and cash equivalents at the end of the period</b>	<b>386,219</b>	<b>297,298</b>

Cash and cash equivalents consist of the following:

	31/03/2024 €/000	31/12/2023 €/000
Cash and cash equivalents as per the consolidated statement of financial position	440,083	334,483
Payables to banks (overdrafts and subject-to-collection advances)	(53,864)	(52,469)
Cash and cash equivalents as per the consolidated cash flow statement	386,219	282,014

## Consolidated statement of changes in shareholders' equity

(€/000)	Share capital	Legal reserve	Share premium reserve	Remeasurement reserve for defined benefit plans	Translation reserve	Other reserves	Group shareholde rs' equity	Non- controlling interests	Total
<i>At 1 January 2023</i>	55,584	11,323	39,444	(5,320)	18,379	1,434,138	1,553,548	12,562	1,566,110
Charged to the income statement of fair value of stock options granted and exercisable	-	-	1,263	-	-	-	1,263	-	1,263
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares to stock option beneficiaries	10	-	432	-	-	-	442	-	442
Transfer of treasury shares as payment for equity investments	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(24)	(24)
Dividends resolved	-	-	-	-	-	-	-	(295)	(295)
Comprehensive profit (loss) for Q1 2023	-	-	-	-	(10,506)	85,121	74,615	762	75,377
<i>Balances at 31 March 2023</i>	55,594	11,323	41,139	(5,320)	7,873	1,519,259	1,629,868	13,005	1,642,873
Charged to the income statement of fair value of stock options granted and exercisable	-	-	4,026	-	-	-	4,026	-	4,026
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares to stock option beneficiaries	31	-	1,773	-	-	-	1,804	-	1,804
Transfer of treasury shares as payment for equity investments	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	-	-	(2,569)	(2,569)	(3,431)	(6,000)
Dividends paid	-	-	-	-	-	(32,074)	(32,074)	(2,427)	(34,501)
Dividends resolved	-	-	-	-	-	-	-	295	295
Comprehensive profit (loss) for April-December 2023	-	-	-	(602)	3,977	189,148	192,523	1,884	194,407
<i>At 31 December 2023</i>	55,625	11,323	46,938	(5,922)	11,850	1,673,764	1,793,578	9,326	1,802,904
Charged to the income statement of fair value of stock options granted and exercisable	-	-	1,321	-	-	-	1,321	-	1,321
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares to stock option beneficiaries	-	-	14	-	-	-	14	-	14
Transfer of treasury shares as payment for equity investments	-	-	-	-	-	-	-	-	-
Purchase of residual interests in subsidiaries	-	-	-	(23)	-	144	121	(138)	(17)
Dividends paid	-	-	-	-	-	-	-	-	-
Dividends resolved	-	-	-	-	-	-	-	(160)	(160)
Comprehensive profit (loss) for Q1 2024	-	-	-	-	9,506	67,236	76,742	329	77,071
<i>Balances at 31 March 2024</i>	55,625	11,323	48,273	(5,945)	21,356	1,741,144	1,871,776	9,357	1,881,133

## 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, directional controls, valves, gears and dispersion devices, hydraulic hoses and fittings, 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, Poland, Bulgaria, Romania, Canada, 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 31 March 2024 were approved by the Board of Directors today (15 May 2024).

This Interim Report on Operations has been prepared on a basis consistent with prior years, international practice, the principle of market transparency and Borsa Italiana Notice no. 7587 dated 21 April 2016. As part of the requirements for maintaining a STAR listing, this notice requires the publication of Interim Reports on Operations regardless of any regulatory changes.

This Interim Report on Operations is not audited.

### **Basis of preparation**

The consolidated financial statements at 31 March 2024 have been prepared in compliance with the international accounting standards (IAS/IFRS) for interim financial statements. 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 31 March 2024 should be read together with the consolidated financial statements for the year ended 31 December 2023.

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. The captions of the financial statements that call for more subjective appraisal by the directors when preparing estimates and for which a change in the conditions underlying the assumptions utilized could have a significant effect on the financial statements are: goodwill, amortization and depreciation of fixed assets, deferred tax assets and liabilities, the allowance for doubtful accounts and the allowance for inventories, provisions for risks and charges, defined benefit plans for employees, liabilities for the acquisition of equity investments included under other liabilities, and the



determination of the fair value of the assets and liabilities acquired in the framework of business combinations.

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 2023, with the exception of those adopted as from 1 January 2024 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 2024 and adopted 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, the amendment clarifies 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 IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments:* 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.
- *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information:* In June 2023 the ISSB published a standard that establishes general requirements for the disclosure of sustainability-related financial information. The amendment applies to reporting periods beginning on or after 1 January 2024. Early application was allowed.
- *IFRS S2 Climate-related Disclosures:* In June 2023 the ISSB published a standard that requires the disclosure of supplementary information about climate-related risks and

opportunities. The amendment applies to reporting periods beginning on or after 1 January 2024. Early application was allowed.

*b) Accounting standards, amendments and interpretations taking effect as from 1 January 2024 but not relevant for the Group*

- *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.

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

- *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.
- *IFRS 18 - Presentation and Disclosure in Financial Statements*: On 9 April 2024, the IASB published a new standard that introduces certain important disclosures to be made in the explanatory notes to the financial statements when performance indicators are used that, as per the new standard, fall within so-called Management-defined Performance Measures. This ensures more transparent and comparable information for investors on the financial results of companies. All companies that adopt IFRS will apply this standard. The standard will apply to reporting periods beginning on or after 1 January 2027. Early application is allowed.

**Notes to the consolidated financial statements at 31 March 2024**

	Page
1. Scope of consolidation and goodwill	37
2. Business sector information	41
3. Acquisition of equity investments	45
4. Inventories and detail of changes in the inventories allowance	48
5. Property, plant and equipment	48
6. Shareholders' equity	48
7. Financial income and expenses	49
8. Earnings per share	50
9. Transactions with related parties	51
10. Disputes, Contingent Liabilities and Contingent Assets	53

## 1. Scope of consolidation and goodwill

The perimeter of consolidation at 31 March 2024 includes 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 31/03/2024</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)	Dudingen (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	88.00%
Interpump Hydraulics S.p.A.	Calderara di Reno (BO)	2,632	Hydraulic	100.00%
Contarini Leopoldo S.r.l. (4)	Lugo (RA)	47	Hydraulic	100.00%
Unidro Contarini S.a.s. (5)	Barby (France)	8	Hydraulic	100.00%
Copa Hydrosystem Ood (5)	Troyan (Bulgaria)	3	Hydraulic	100.00%
Hydrocar Chile S.A. (4)	Santiago (Chile)	129	Hydraulic	90.00%
Hydroven S.r.l. (4)	Tezze sul Brenta (VI)	200	Hydraulic	100.00%
Interpump Hydraulics Brasil Ltda (4)	Caxia do Sul (Brazil)	15,126	Hydraulic	100.00%

*Interim Report on Operations at 31 March 2024 – Interpump Group*

Interpump Hydraulics France S.a.r.l. (4)	Ennery (France)	76 Hydraulic	99.77%
Interpump Hydraulics India Private Ltd (4)	Hosur (India)	682 Hydraulic	100.00%
Interpump Hydraulics Middle East FZE (4)	Dubai (UAE)	326 Hydraulic	100.00%
Interpump South Africa Pty Ltd (4)	Johannesburg (South Africa)	- Hydraulic	100.00%

<u>Company</u>	<u>Location</u>	<u>Share capital</u>	<u>Sector</u>	<u>% held at 31/03/2024</u>
		<u>€/000</u>		
Eurofluid Hydraulic S.r.l. (4)	Albinea (RE)	100	Hydraulic	80.00%
Interpump Hydraulics (UK) Ltd. (4)	Kidderminster (United Kingdom)	13	Hydraulic	100.00%
Mega Pacific Pty Ltd (6)	Newcastle (Australia)	335	Hydraulic	100.00%
Mega Pacific NZ Pty Ltd (6)	Mount Maunganui (New Zealand)	557	Hydraulic	100.00%
Muncie Power Prod. Inc. (4)	Muncie (USA)	784	Hydraulic	100.00%
North American Manufacturing Inc. (7)	Fairmount (USA)	3,410	Hydraulic	100.00%
Hydra Dyne Tech Inc (7)	Ingersoll (Canada)	80	Hydraulic	89.99%
Oleodinamica Panni S.r.l. (4)	Tezze sul Brenta (VI)	2,000	Hydraulic	100.00%
Wuxi Interpump Weifu Hydraulics Company Ltd (4)	Wuxi (China)	2,095	Hydraulic	65.00%
IMM Hydraulics S.p.A. (4)	Atessa (Switzerland)	520	Hydraulic	100.00%
IFS France S.a.r.l. (8)	Strasbourg (France)	162	Hydraulic	100.00%
Interpump Fluid Solutions Germany GmbH (8)	Meinerzhagen (Germany)	52	Hydraulic	100.00%
IMM Hydro Est (8)	Catcau Cluj Napoca (Romania)	3,155	Hydraulic	100.00%
FGA S.r.l. (8)	Fossacesia (CH)	10	Hydraulic	100.00%
Innovativ Gummi Tech S.r.l. (8)	Ascoli Piceno (AP)	4,100	Hydraulic	100.00%
Tekno Tubi S.r.l. (8)	Terre del Reno (FE)	100	Hydraulic	100.00%
Tubiflex S.p.A.	Orbassano (TO)	515	Hydraulic	100.00%
Walvoil S.p.A.	Reggio Emilia	7,692	Hydraulic	100.00%
Walvoil Fluid Power Corp. (9)	Tulsa (USA)	137	Hydraulic	100.00%
Walvoil Fluid Power (India) Pvt. Ltd. (9)	Bangalore (India)	4,803	Hydraulic	100.00%
Walvoil Fluid Power Korea Llc. (9)	Pyeongtaek (South Korea)	453	Hydraulic	100.00%
Walvoil Fluid Power France S.a.r.l. (9)	Vritz (France)	10	Hydraulic	100.00%
Walvoil Fluid Power Australasia (9)	Melbourne (Australia)	7	Hydraulic	100.00%
Walvoil Canada Inc. (9)	Terrebonne, Quebec (Canada)	76	Hydraulic	100.00%
Walvoil Fluid Power (Dongguan) Co., Ltd (9)	Dongguan (China)	3,720	Hydraulic	100.00%
IPG Mouldtech India Pvt Ltd (9)	Coimbatore (India)	298	Hydraulic	85.00%
Reggiana Riduttori S.r.l.	S.Polo d'Enza (RE)	6,000	Hydraulic	100.00%
RR USA Inc. (12)	Boothwyn (USA)	1	Hydraulic	100.00%
RR Canada Inc. (12)	Vaughan (Canada)	1	Hydraulic	100.00%
RR Holland BV (12)	Oosterhout (Netherlands)	19	Hydraulic	100.00%
RR France S.a.r.l. (12)	Thouare sur Loire (France)	400	Hydraulic	95.00%
RR Slovakia A.S. (12)	Zvolen (Slovakia)	340	Hydraulic	100.00%
RR Pacific Pty Ltd (12)	Victoria (Australia)	249	Hydraulic	100.00%
RR India Pvt. Ltd (12) (dormant)	New Delhi (India)	52	Hydraulic	99.99%
Transtecno S.r.l.	Anzola dell'Emilia (BO)	100	Hydraulic	80.00%
Draintech S.r.l. (13)	Anzola dell'Emilia (BO)	10	Hydraulic	80.00%
Hangzhou Interpump Power Transmissions Co. Ltd (13)	Hangzhou (China)	575	Hydraulic	100.00%
Transtecno Iberica the Modular Gearmotor S.A. (13)	Gava (Spain)	203	Hydraulic	70.00%
MA Transtecno S.A.P.I. de C.V. (13)	Apodaca (Mexico)	124	Hydraulic	70.00%

*Interim Report on Operations at 31 March 2024 – Interpump Group*

Transtecno BV (13)	Amersfoort (Netherlands)	18	Hydraulic	51.00%
Transtecno Aandrijftechniek (Netherlands) (14)	Amersfoort (Netherlands)	-	Hydraulic	51.00%
White Drive Motors and Steering Sp zoo	Wroclaw (Poland)	33,254	Hydraulic	100.00%
White Drive Motors and Steering GmbH	Parchim (Germany)	33,595	Hydraulic	100.00%
White Drive Motors and Steering, LLC	Hopkinsville (USA)	67,920	Hydraulic	100.00%
Interpump Piping GS S.r.l.	Reggio Emilia	10	Hydraulic	100.00%

<u>Company</u>	<u>Location</u>	<u>Share capital</u>	<u>Sector</u>	<u>% held at 31/03/2024</u>
GS-Hydro Singapore Pte Ltd (10)	Singapore	624	Hydraulic	100.00%
GS-Hydro Korea Ltd. (10)	Busan (South Korea)	1,892	Hydraulic	100.00%
GS-Hydro Piping Systems (Shanghai) Co. Ltd. (11)	Shanghai (China)	2,760	Hydraulic	100.00%
GS-Hydro Benelux B.V. (10)	Barendrecht (Netherlands)	18	Hydraulic	100.00%
GS-Hydro Austria GmbH (10)	Pashing (Austria)	40	Hydraulic	100.00%
GS-Hydro Sp Z O O (Poland) (10)	Gdynia (Poland)	1,095	Hydraulic	100.00%
GS Hydro Denmark AS (10)	Kolding (Denmark)	67	Hydraulic	100.00%
GS-Hydro S.A.U (Spain) (10)	Las Rozas (Spain)	90	Hydraulic	100.00%
Suministros Franquesa S.A. (16)	Lleida (Spain)	160	Hydraulic	100.00%
GS-Hydro U.S. Inc. (7)	Houston (USA)	9,903	Hydraulic	100.00%
GS-Hydro do Brasil Sistemas Hidraulicos Ltda (10)	Rio de Janeiro (Brazil)	252	Hydraulic	100.00%
GS-Hydro System GmbH (Germany) (10)	Witten (Germany)	179	Hydraulic	100.00%
GS- Hydro UK Ltd (10)	Aberdeen (United Kingdom)	5,095	Hydraulic	100.00%
GS-Hydro Ab (Sweden) (10)	Kista (Sweden)	120	Hydraulic	100.00%
GS-Hydro Hong Kong Ltd (1)	Hong Kong	1	Hydraulic	100.00%
IMM Hydraulics Ltd (dormant) (6)	Kidderminster (United Kingdom)	-	Hydraulic	100.00%
Bristol Hose Ltd (dormant) (6)	Bristol (United Kingdom)	-	Hydraulic	100.00%
I.Mec S.r.l.	Reggio Emilia	100	Water-Jetting	70.00%
Waikato Holding Limited (NZ)	Auckland (New Zealand)	32,210	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.

In the Water-Jetting sector, the Group acquired an additional 8% of SIT S.p.A. in Q1 2024 and now holds an 88% interest in that company.

Reggiana Riduttori (Suzhou) Co. Ltd. and Transtecno USA LLC were liquidated in the same period.

***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 Technology Inc. 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 - following new agreements reached with the non-controlling interest during the year - starting from approval of the 2026 financial statements.

Furthermore, also following new agreements reached with the non-controlling interest during 2023, the Group is required to purchase the residual 20% interest in Draintech S.r.l. during 2024.

In compliance with the requirements of IFRS 10 and IFRS 3, Inoxihp S.r.l., Inoxpa Solution Moldova, Hydra Dyne Technology 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 company's business plan. 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.

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

Changes in goodwill were as follows in 2024:

<u>Company:</u>	Balance at <u>31/12/2023</u>	Increases (Decreases) <u>in the year</u>	Changes due to <u>exchange</u> <u>differences</u>	Balance at <u>31/03/2024</u>
Water-Jetting	230,092	781	853	231,726
Hydraulic	554,479	-	1,102	555,581
<b>Total goodwill</b>	<b>784,571</b>	<b>781</b>	<b>1,955</b>	<b>787,307</b>

The increases reflect finalization of the allocations of the purchase price of the Waikato group and of I.Mec S.r.l., which are detailed later in this Interim Report on Operations.



## 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. Holding company costs, such as the remuneration of the directors and statutory auditors of the parent company and the cost of the Group's financial management, control, and internal auditing functions, as well as the cost of consultancy and related expenses, have been allocated to the business sectors in proportion to their 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 and asphalt, removing 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 machinery produced mainly for the food processing industry, but also used in the chemicals, cosmetics and pharmaceuticals 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)

**Q1**

	Hydraulic		Water-Jetting		Elimination entries		Interpump Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues outside the Group	391,728	446,484	154,139	145,861	-	-	545,867	592,345
Inter-sector revenues	615	859	1,728	1,128	(2,343)	(1,987)	-	-
<b>Total revenues</b>	<b>392,343</b>	<b>447,343</b>	<b>155,867</b>	<b>146,989</b>	<b>(2,343)</b>	<b>(1,987)</b>	<b>545,867</b>	<b>592,345</b>
Cost of sales	(270,951)	(302,646)	(85,596)	(80,320)	2,356	1,995	(354,191)	(380,971)
<b>Gross profit</b>	<b>121,392</b>	<b>144,697</b>	<b>70,271</b>	<b>66,669</b>	<b>13</b>	<b>8</b>	<b>191,676</b>	<b>211,374</b>
<i>% of revenues</i>	30.9%	32.3%	45.1%	45.4%			35.1%	35.7%
Other net revenues	6,335	8,675	2,320	1,783	(154)	(126)	8,501	10,332
Distribution expenses	(25,076)	(25,937)	(17,074)	(16,272)	17	18	(42,133)	(42,191)
General and administrative expenses	(36,560)	(36,911)	(20,017)	(16,829)	124	100	(56,453)	(53,640)
Other operating costs	(1,164)	(1,009)	(628)	(270)	-	-	(1,792)	(1,279)
<b>EBIT</b>	<b>64,927</b>	<b>89,515</b>	<b>34,872</b>	<b>35,081</b>	<b>-</b>	<b>-</b>	<b>99,799</b>	<b>124,596</b>
<i>% of revenues</i>	16.5%	20.0%	22.4%	23.9%			18.3%	21.0%
Financial income	4,662	4,611	4,002	2,250	(781)	(967)	7,883	5,894
Financial expenses	(7,040)	(10,131)	(9,515)	(6,970)	781	967	(15,774)	(16,134)
Dividends	-	-	-	-	-	-	-	-
Equity method contribution	134	177	(20)	(27)	-	-	114	150
<b>Profit for the period before taxes</b>	<b>62,683</b>	<b>84,172</b>	<b>29,339</b>	<b>30,334</b>	<b>-</b>	<b>-</b>	<b>92,022</b>	<b>114,506</b>
Income taxes	(16,194)	(20,874)	(8,276)	(7,598)	-	-	(24,470)	(28,472)
<b>Consolidated profit for the period</b>	<b>46,489</b>	<b>63,298</b>	<b>21,063</b>	<b>22,736</b>	<b>-</b>	<b>-</b>	<b>67,552</b>	<b>86,034</b>
<b>Attributable to:</b>								
Shareholders of Parent	46,344	62,606	20,892	22,515	-	-	67,236	85,121
Minority shareholders of subsidiaries	145	692	171	221	-	-	316	913
<b>Consolidated profit for the period</b>	<b>46,489</b>	<b>63,298</b>	<b>21,063</b>	<b>22,736</b>	<b>-</b>	<b>-</b>	<b>67,552</b>	<b>86,034</b>
<b>Further information required by IFRS 8</b>								
Amortization, depreciation and write-downs	20,103	18,721	6,847	5,689	-	-	26,950	24,410
Other non-monetary costs	1,180	1,180	1,128	730	-	-	2,308	1,910

**Statement of financial position**  
(Amounts shown in €/000)

	Hydraulic		Water-Jetting		Elimination entries		Interpump Group	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Assets by sector	2,166,675	2,131,325	881,939	859,703	(74,133)	(81,548)	2,974,481	2,909,480
Assets held for sale	-	-	-	-	-	-	-	-
<b>Assets of the sector (A)</b>	<b>2,166,675</b>	<b>2,131,325</b>	<b>881,939</b>	<b>859,703</b>	<b>(74,133)</b>	<b>(81,548)</b>	<b>2,974,481</b>	<b>2,909,480</b>
Cash and cash equivalents							440,083	334,483
<b>Total assets</b>							<b>3,414,564</b>	<b>3,243,963</b>
<b>Liabilities of the sector (B)</b>	<b>435,708</b>	<b>443,088</b>	<b>200,115</b>	<b>177,375</b>	<b>(74,133)</b>	<b>(81,548)</b>	<b>561,690</b>	<b>538,915</b>
Debts for the acquisition of equity investments							78,858	81,164
Payables to banks							53,864	52,469
Interest-bearing financial payables							839,019	768,511
<b>Total liabilities</b>							<b>1,533,431</b>	<b>1,441,059</b>
<b>Total assets, net (A-B)</b>	<b>1,730,967</b>	<b>1,688,237</b>	<b>681,824</b>	<b>682,328</b>	-	-	<b>2,412,791</b>	<b>2,370,565</b>
<b><u>Further information required by IFRS 8</u></b>								
Equity investments measured using the equity method	996	999	548	563	-	-	1,544	1,562
Non-current assets other than financial assets and deferred tax assets	1,230,589	1,215,942	437,674	432,522	-	-	1,668,263	1,648,464

The Q1 comparison of the Water-Jetting sector at constant perimeters is as follows:

	<u>2024</u>	<u>2023</u>
Revenues outside the Group	143,946	145,861
Inter-sector revenues	<u>1,728</u>	<u>1,128</u>
<b>Total revenues</b>	<b>145,674</b>	<b>146,989</b>
Cost of sales	<u>(79,176)</u>	<u>(80,320)</u>
<b>Gross profit</b>	<b>66,498</b>	<b>66,669</b>
<i>% of revenues</i>	45.6%	45.4%
Other net revenues	2,136	1,783
Distribution expenses	(15,736)	(16,272)
General and administrative expenses	(18,108)	(16,829)
Other operating costs	<u>(387)</u>	<u>(270)</u>
<b>EBIT</b>	<b>34,403</b>	<b>38,081</b>
<i>% of revenues</i>	23.6%	23.9%
Financial income	3,024	2,250
Financial expenses	(9,206)	(6,970)
Equity method contribution	<u>(20)</u>	<u>(27)</u>
<b>Profit for the period before taxes</b>	<b>28,201</b>	<b>30,334</b>
Income taxes	<u>(7,391)</u>	<u>(7,598)</u>
<b>Consolidated profit for the period</b>	<b>20,810</b>	<b>22,736</b>
<b>Attributable to:</b>		
Shareholders of Parent	20,639	22,515
Minority shareholders of subsidiaries	<u>171</u>	<u>221</u>
<b>Consolidated profit for the period</b>	<b>20,810</b>	<b>22,736</b>

Q1 cash flows by business sector were as follows:

€/000	Hydraulic		Water-Jetting		Total	
	2024	2023	2024	2023	2024	2023
Cash flows from:						
Operating activities	54,446	57,638	23,712	3,610	78,158	61,248
Investing activities	(34,539)	(36,116)	(7,316)	(11,271)	(41,855)	(47,387)
Financing activities	<u>(9,383)</u>	<u>(2,753)</u>	<u>76,455</u>	<u>(39,890)</u>	<u>67,072</u>	<u>(42,643)</u>
<b>Total</b>	<b>10,524</b>	<b>18,769</b>	<b>92,851</b>	<b>(47,551)</b>	<b>103,375</b>	<b>(28,782)</b>

Investments in the Hydraulic sector included payments totaling € 3.016 million to settle payables for the acquisition of non-controlling interests disclosed in the Annual Financial Report for 2023 (€ 339,000 in Q1 2023), as well as expenditure on property, plant and equipment totaling € 32.215 million (€ 35.213 million in Q1 2023).

The cash flows deriving from the financing activities of the Water-Jetting Sector include € 100 million on collection of the bond tranche, net of the repayment of loans.

### 3. Acquisition of equity investments

#### IPG Mouldtech India Pvt Ltd.

On 20 February 2023, 85% of the capital of Indoshell Automotive System India P.L., now IPG Mouldtech Invia Pvt Ltd., was purchased from Indoshell Mould Limited, an Indian group specialized in the casting of ferrous and non-ferrous metals (cast iron and aluminum). The 12-month time window closed on 31 March 2024 and the definitive purchase price allocation was unchanged with respect to that presented in the Annual Financial Report for 2023, which can be consulted for further information.

#### I.Mec S.r.l.

On 20 April 2023 Interpump Group announced the acquisition of 70% of the capital of and control over I.Mec S.r.l. Formed in 1989 and based in Reggio Emilia, this company is specialized in the production of mechanical sifters for various sectors of application, including ceramics, recycling, filtration, food processing and cosmetics. 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% in two tranches, the first exercisable from June 2026 and the second from April 2028. The definitive purchase price allocation at 31 March 2024 is presented below:

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Cash and cash equivalents	2,721	-	2,721
Trade receivables	6,092	-	6,092
Inventories	2,350	-	2,350
Tax receivables	493	-	493
Other current assets	305	-	305
Property, plant and equipment	3,033	-	3,033
Other intangible assets	16	2,286	2,302
Other financial fixed assets	12	-	12
Deferred tax assets	126	-	126
Other non-current assets	67	-	67
Trade payables	(3,126)	-	(3,126)
Payables to banks	-	-	-
Tax liabilities	(52)	-	(52)
Other current liabilities	(650)	-	(650)
Lease payables	(2,519)	-	(2,519)
Deferred tax liabilities	(4)	(655)	(659)
Provision for risks and charges	(80)	-	(80)
Employee benefits (severance indemnity provision)	(943)	-	(943)
<b>Net assets acquired</b>	<b>7,841</b>	<b>1,631</b>	<b>9,472</b>
Goodwill related to the acquisition			13,628
<b>Total net assets acquired</b>			<b>23,100</b>
Total amount paid in cash			14,000
Amount paid by assigning treasury shares			-
Amount payable			9,100
<b>Total acquisition cost (A)</b>			<b>23,100</b>
Net financial position acquired (B)			(202)
Total amount paid in cash			14,000
Amount payable			9,100
<b>Total change in net financial position</b>			<b>22,898</b>
<b>Capital employed (A) - (B)</b>			<b>22,898</b>

The transaction was accounted for using the acquisition method.

The goodwill was allocated in full to the Water-Jetting CGU and is not relevant for tax purposes.

### Waikato group

On 18 May 2023 Interpump Group announced the acquisition of 100% of the capital of and control over the Waikato group. With more than 50 years of history, this group 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 definitive purchase price allocation at 31 March 2024 is presented below:

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Cash and cash equivalents	1,837	-	1,837
Trade receivables	9,200	-	9,200
Inventories	13,009	-	13,009
Tax receivables	159	-	159
Other current assets	1,054	-	1,054
Property, plant and equipment	4,815	-	4,815
Other intangible assets	13,018	-	13,018
Deferred tax assets	728	-	728
Other non-current assets	-	-	-
Trade payables	(4,475)	-	(4,475)
Payables to banks	(11,013)	-	(11,013)
Tax liabilities	(134)	-	(134)
Other current liabilities	(3,783)	-	(3,783)
Lease payables	(3,922)	-	(3,922)
Deferred tax liabilities	(2,990)	-	(2,990)
Provision for risks and charges	-	-	-
Employee benefits (severance indemnity provision)	-	-	-
<b>Net assets acquired</b>	<b>17,503</b>	-	<b>17,503</b>
Goodwill related to the acquisition			2,726
<b>Total net assets acquired</b>			<b>20,229</b>
Total amount paid in cash			20,229
Amount paid by assigning treasury shares			-
Amount payable			-
<b>Total acquisition cost (A)</b>			<b>20,229</b>
Net financial position acquired (B)			13,098
Total amount paid in cash			20,229
Amount payable			-
<b>Total change in net financial position</b>			<b>33,327</b>
<b>Capital employed (A) - (B)</b>			<b>33,327</b>

The transaction was accounted for using the acquisition method.

The amounts for group companies not resident in the EU were translated using the exchange rates at 31 May 2023.

The goodwill was allocated in full to the Water-Jetting CGU and is not relevant for tax purposes.

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

	31/03/2024	31/12/2023
	€/000	€/000
Inventories, gross value	751,652	745,399
Allowance for inventories	(49,049)	(48,971)
<b>Inventories</b>	<b>702,603</b>	<b>696,428</b>

Changes in the allowance for inventories were as follows:

	<i>Q1</i> 2024	<i>Year</i> 2023
	€/000	€/000
Opening balances	48,971	46,749
Exchange rate difference	210	(695)
Change in consolidation basis	-	1,575
Provisions for the period	1,005	4,522
Releases in the year to cover losses	(897)	(2,221)
Release of excess provisions in the period	(240)	(959)
<b>Closing balance</b>	<b>49,049</b>	<b>48,971</b>

#### 5. Property, plant and equipment

##### *Purchases and disposals*

Interpump Group purchased assets for € 42,595,000 in Q1 2024 (€ 48,501,000 net in Q1 2023, of which € 4,136,000 through the acquisition of equity investments). Assets with a net carrying value of € 4,674,000 (€ 1,621,000 in Q1 2023) were also divested, with a net capital gain of € 1,945,000 (€ 1,198,000 in Q1 2023).

##### *Contractual commitments*

At 31 March 2024 the Group had contractual commitments for the purchase of tangible fixed assets totaling € 16,229,000 (€ 5,752,000 at 31 March 2023).

#### 6. 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 € 55,625,000, 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 31 March 2024 Interpump Group S.p.A. holds 1,908,363 treasury shares, representing 1.753% 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. Interpump Group did not purchase any treasury shares during Q1 2024 (no purchases of treasury shares in Q1 2023 either).

*Treasury shares sold*

In relation to stock option plans, a total of 500 options were exercised during Q1 2024, resulting in the receipt of € 14,000 (15,500 options were exercised in Q1 2023, generating receipts of € 442,000). No treasury shares were assigned in Q1 2024 as payment for equity investments (none in Q1 2023 either).

**7. Financial income and expenses**

The analysis is as follows:

	2024	2023
	€/000	€/000
<u>Financial income</u>		
Interest income from liquid funds	1,884	553
Interest income from other assets	26	25
Exchange gains	5,939	5,294
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	8	-
Other financial income	26	22
<b>Total financial income</b>	<b>7,883</b>	<b>5,894</b>
<u>Financial expenses</u>		
Interest expense on bank loans	8,648	6,171
Interest expense on bond	711	-
Lease interest expense	1,183	750
Interest expense on put options	735	1,033
Financial expenses to adjust estimated debt for commitment to purchase residual interests in subsidiaries	8	-
Foreign exchange losses	4,431	8,116
Other financial expenses	58	64
<b>Total financial expenses</b>	<b>15,774</b>	<b>16,134</b>
<b>Total financial expenses (income), net</b>	<b>7,891</b>	<b>10,240</b>



## 8. 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>Q1</i>	2024	2023
Consolidated net profit attributable to the owners of the Parent company (€/000)	67,236	85,121
Average number of shares in circulation	106,970,748	106,900,385
Basic earnings per share for the period (€)	0.629	0.796

### *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>Q1</i>	2024	2023
Consolidated net profit attributable to the owners of the Parent company (€/000)	67,236	85,121
Average number of shares in circulation	106,970,748	106,900,385
Number of potential shares for stock option plans (*)	278,627	467,373
Average number of shares (diluted)	107,249,375	107,367,758
Earnings per diluted share for the year (€)	0.627	0.793

(\*) 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.

## 9. 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 in the Group's consolidated income statements for Q1 2024 and Q1 2023 are shown below:

	2024					
	Consolidated	Non-	Associates	Other	Total	%
	Total	consolidated subsidiaries		related parties	related parties	incidence on F.S. caption
(€/000)						
Revenues	545,867	414	-	323	737	0.1%
Cost of sales	354,191	96	-	1,285	1,381	0.4%
Other operating income	8,501	4	-	-	4	0.0%
Distribution expenses	42,133	90	-	179	269	0.6%
G&A expenses	56,453	-	-	158	158	0.3%
Financial expenses	15,774	-	-	192	192	1.2%
	2023					
	Consolidated	Non-	Associates	Other	Total	%
	Total	consolidated subsidiaries		related parties	related parties	incidence on F.S. caption
(€/000)						
Revenues	592,345	257	-	291	566	0.1%
Cost of sales	380,971	97	-	1,974	2,071	0.5%
Other operating income	10,332	-	-	-	-	0.0%
Distribution expenses	42,191	41	-	211	252	0.6%
G&A expenses	53,640	-	-	170	170	0.3%
Financial expenses	16,134	-	-	146	146	0.9%

Financial expenses principally relate to the discounting of the rental payables recognized pursuant to IFRS 16 and to rentals charged by related parties.

The effects on the consolidated statement of financial position at 31 March 2024 and 2023 are shown below:

	31 March 2024					
	Consolidated Total	Non- consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Trade receivables	450,776	1,774	-	452	2,226	0.5%
Trade payables	263,274	68	-	727	795	0.3%
Interest-bearing financial payables (current and non-current portions)	839,019	-	-	15,836	15,836	1.9%
	31 March 2023					
	Consolidated Total	Non- consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Trade receivables	478,703	1,461	-	328	1,789	0.4%
Trade payables	315,187	58	-	1,271	1,329	0.4%
Interest-bearing financial payables (current and non-current portions)	1,104,688	-	-	15,566	15,566	1.4%

Financial payables mainly comprise the lease liability recognized pursuant to IFRS 16 for rentals due to related parties.

*Relations with non-consolidated subsidiaries*

Relations with non-consolidated subsidiaries are as follows:

(€/000)	Receivables		Revenues	
	31/03/2024	31/03/2023	2024	2023
Interpump Hydraulics Perù	1,494	1,220	231	96
General Pump China Inc.	278	158	187	10
Interpump Hydraulics Russia	-	83	-	169
Interpump Antriebstechnik GmbH	2	-		-
<b>Total subsidiaries</b>	<b>1,774</b>	<b>1,461</b>	<b>418</b>	<b>275</b>

(€/000)	Payables		Costs	
	31/03/2024	31/03/2023	2024	2023
Interpump Hydraulics Perù	1	7	1	1
General Pump China Inc.	43	51	140	137
Interpump Antriebstechnik GmbH	24	-	45	-
<b>Total subsidiaries</b>	<b>68</b>	<b>58</b>	<b>186</b>	<b>138</b>

*Relations with associates*

The Group does not hold equity investments in associated companies.

*Transactions with other related parties*

The Q1 2024 income statement includes consultancy provided by entities associated with Group directors and statutory auditors totaling € 5,000 (€ 12,000 in Q1 2023). The consultancy costs were charged to general and administrative expenses. Revenues in Q1 2024 included those from companies owned by Group shareholders or directors totaling € 323,000 (€ 291,000 in Q1 2023). In addition, the cost of sales includes purchases made from companies controlled by minority shareholders or directors of Group companies for € 1.205 million (€ 1.874 million in Q1 2023).

**10. 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 2023.