

Interim Report on Operations in Q4 2024



Interpump Group S.p.A. and subsidiaries

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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
Chairman

Mario Tagliaferri
Statutory Auditor

Mirco Zucca
Statutory Auditor

Independent Auditors

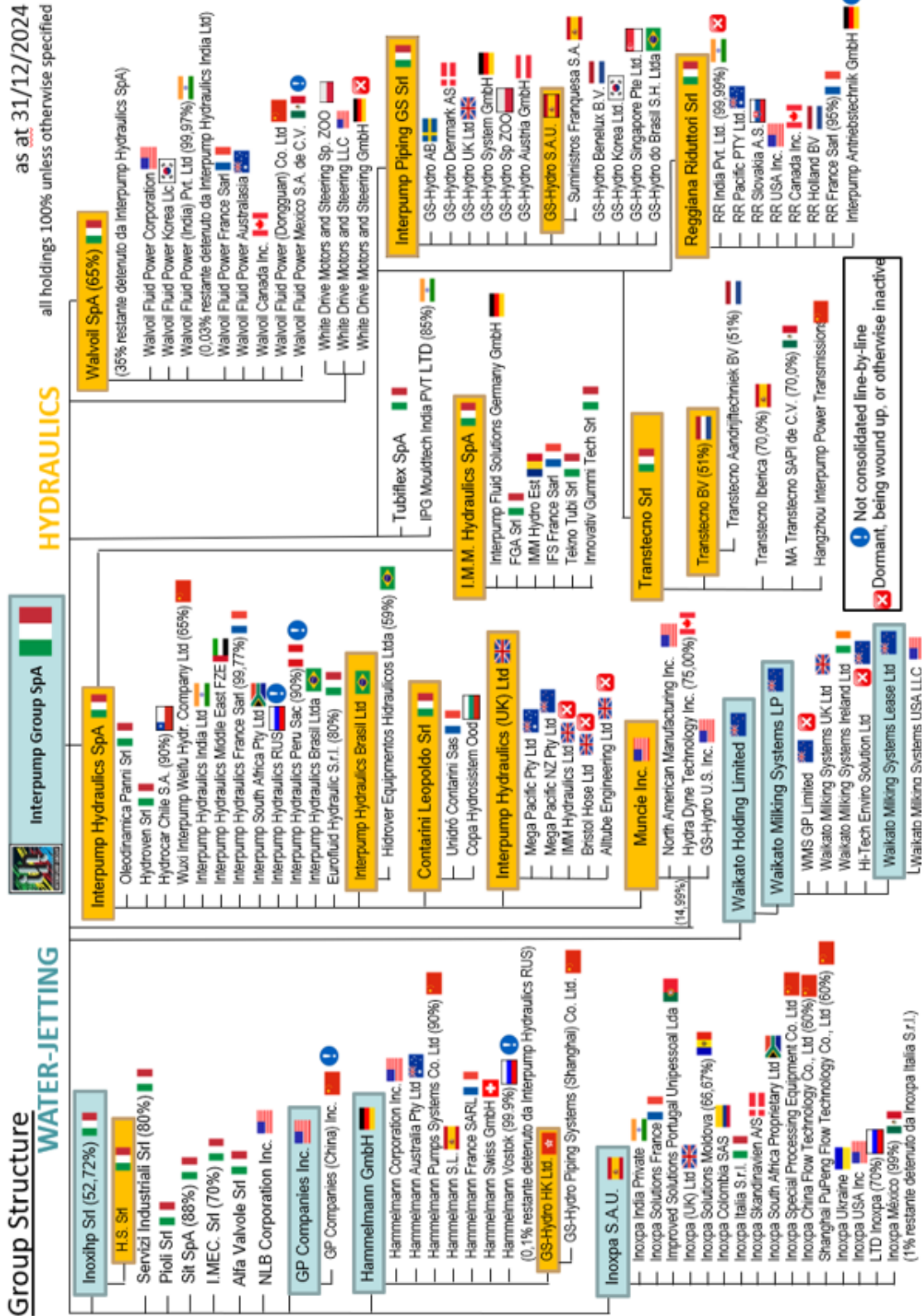
PricewaterhouseCoopers S.p.A.

- (a) Member of the Control 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*

as at 31/12/2024

HYDRAULICS

WATER-JETTING



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 2024**

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 Report on Operations 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 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 Financial debt and Bank debt 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 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 from 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 format 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 statement

(€/000)	<u>2024</u>	<u>2023</u>
Revenues	2,078,399	2,240,039
Cost of sales	(1,364,753)	(1,460,068)
Gross profit	713,646	779,971
<i>% of revenues</i>	<i>34.3%</i>	<i>34.8%</i>
Other net revenues	36,714	42,154
Distribution expenses	(173,890)	(169,744)
General and administrative expenses	(227,118)	(214,594)
Other operating costs	(11,538)	(8,968)
EBIT	337,814	428,819
<i>% of revenues</i>	<i>16.3%</i>	<i>19.1%</i>
Financial income	35,296	26,515
Financial expenses	(62,380)	(78,174)
Equity method contribution	302	627
Profit for the year before taxes	311,032	377,787
Income taxes	(82,550)	(100,271)
Consolidated profit for the year	228,482	277,516
<i>% of revenues</i>	<i>11.0%</i>	<i>12.4%</i>
Attributable to:		
Shareholders of Parent	227,063	274,269
Minority shareholders of subsidiaries	1,419	3,247
Consolidated profit for the year	228,482	277,516
EBITDA	456,622	536,725
<i>% of revenues</i>	<i>22.0%</i>	<i>24.0%</i>
Shareholders' equity	2,019,349	1,802,904
Net financial position	409,044	486,497
Debts for the acquisition of equity investments	67,071	81,164
Capital employed	<u>2,495,464</u>	<u>2,370,565</u>
ROCE	13.5%	18.1%
ROE	11.3%	15.4%
Basic earnings per share	2.123	2.565

KEY EVENTS OF 2024

The global economy continued to exhibit moderate but stable growth during 2024, even though future prospects remain clouded by uncertainty caused, not least, by persistent geopolitical tensions in various strategic areas.

On the one hand, geopolitical tensions are fueling doubts about the health of trading conditions, with the risk of heightened protectionist policies in certain countries. On the other, the outcome of political elections in the final quarter might alter current equilibriums, leading to new inflationary pressures and, in response, restrictive monetary policies intended to contain price increases.

Additionally, given persistent troubles in the principal conflict zones, the re-routing of global trade could have a significant impact, with higher shipping costs and extended delivery lead times.

In this context of profound uncertainty, governments have had to face higher costs given their need to roll-over public debt at increased interest rates, multinational enterprises have slowed the implementation of their long-term investment projects, and private consumers are lowering their propensity to borrow in view of the high rates offered.

The macroeconomic indicators available for the leading economies indicate:

- in the Euro area, continuation of the policy to support the economy by lowering reference interest rates (2.9% at the end of December 2024). Given ECB forecasts, overall inflation is expected to come in at 2.1% in 2025, 1.9% in 2026 and 2.1% in 2027, when the expanded EU emissions trading system (EU ETS II) is due to come into force. Growth prospects appear to be stable across the entire area, given sound conditions in the jobs market and lower prices. Furthermore, investment financed by the Next Generation EU program is expected to stimulate economic activity there;
- in the United States, contained annual GDP growth, albeit mitigated by the relaxation of monetary policy, resulting in forecast economic growth of 1.6% in 2025.
- in China, a slowdown in growth to 4.5% in 2025, with the effects of additional monetary policy stimulus offset by weak consumer demand and a major correction in the real estate market, which is currently in crisis.

Projections indicate that the growth in global GDP will stabilize at 3.2% in 2025, accompanied by further deflation, an improvement in real incomes, and less restrictive monetary policies in many economies, which will help to support demand.

Overall inflation in the OECD countries should ease gradually to 3.4% in 2025, edging closer in the leading economies to the objectives set by their central banks.

In this context, with major ongoing disruptions and uncertainties, the Interpump Group continued to generate results in 2024 that, although down with respect to those achieved in 2023, remain significantly positive in terms of revenues, margins and cash generation.

Revenues of € 2,078 million were 7.2% lower than in 2023, when they totaled € 2,240 million. Analysis by business sector shows that revenues in the Hydraulic Sector were 13.9% lower than in 2023, while those in the Water-Jetting Sector were 10.5% higher.

EBITDA was € 456.6 million (22.0% of revenues). In 2023, EBITDA was € 536.7 million (24.0% of revenues).

Notably, the 2023 income statement benefited from non-recurring insurance proceeds of € 9 million. Excluding this effect, 2024 EBITDA was 13.5% lower than the adjusted amount for the previous year.

Despite pursuing major investment plans, the Group generated free cash flow of € 205.1 million in 2024 (€ 147.9 million in 2023).

The net financial position at 31 December 2024 amounted to € 409.0 million (€ 486.5 million at 31 December 2023), primarily after paying dividends of € 34.9 million and making net investments of € 92.1 million to acquire equity investments and residual minority interests.

Net profit for 2024 was € 228.5 million (€ 277.5 million in 2023) reflecting a decrease of 17.7%.

The limited exposure to countries involved in the military conflict in Ukraine is confirmed. Specifically, the Interpump Group invoiced € 17 million to customers in Russia, Belarus and Ukraine during 2024 (€ 21.7m in 2023), with outstanding receivables of € 2.7 million (€ 2.3 million at 31 December 2023).

As indicated in the section dedicated to “*Events occurring after the close of the financial 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.

The treasury share purchase program was completed on 18 October 2024. Announced to the market on 27 September 2024, following authorization at the Shareholders’ Meeting held on 26 April 2024, this program resulted in the purchase of 250,000 treasury shares (including 39,000 shares purchased in Q3 2024) at an average price of € 41.3496 each, with a total outlay of € 10,337 thousand. The dual purpose of this program was to guarantee not only implementation of the share-based incentive plans arranged in favor of the directors, employees and key collaborators of the Group, but also the disposal and/or exchange of treasury shares, in the context of acquisitions and/or agreements with strategic partners that support the development of the Group.

On 21 November 2024, the Group announced the signature of a *Corporate Power Purchase Agreement*¹ with Statkraft Markets GmbH, for the supply over ten years of energy generated 100% from renewable sources. As a consequence, commencing from January 2025, the Group will purchase 20 GWh of electricity every year, at a pre-determined price fixed for the entire duration of the agreement. The energy will be produced in Italy, principally by a photovoltaic

¹ Contract for the purchase/sale of energy between a producer and a purchaser.

plant recently installed in Lazio: this volume will contribute significantly to meeting the energy needs of 5 of the Group's principal Italian subsidiaries². This agreement represents a major step towards achievement of the objectives to reduce carbon intensity by 30% and increase the use of renewable energy sources to 25% of the Group's total requirement by 2025³.

Compared with 2023, the consolidation perimeter of the Water-Jetting sector changed as follows in 2024:

- on 9 April 2024 the Interpump Group announced the acquisition, via Inoxpa S.A.U., of a 60%⁴ equity interest in Process Partner China Co., Ltd. (now Shanghai PuPeng Flow Technology Co., Ltd) and an increase to 60% in its investment in YRP (Shanghai) Flow Technology Co., Ltd. (now Inoxpa China Flow Technology Co., Ltd), both businesses operating in China. Inoxpa China Flow Technology Co., Ltd 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, Shanghai PuPeng Flow Technology Co., Ltd 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. Both companies have been consolidated on a line-by-line basis from 31 March 2024 and, therefore, have contributed to the consolidated results at 31 December 2024 for nine months.
- On 3 June 2024 the Interpump Group announced the acquisition of 100% of the capital of Alfa Valvole S.r.l. from IDEX Corporation, a US company. This international player is positioned in the high-end segment of the valves sector, given the quality and services offered to customers. The company absorbed OBL, a specialist in the design and production of volumetric pumps, in 2021 to become a provider of integrated solutions for the movement and management of industrial fluids. The principal reference markets comprise water treatment, mining, Oil&Gas, maritime and rail transportation, food processing and pharmaceuticals. In 2023, the company generated turnover of about € 28 million, with an EBITDA margin of about 26%. The total price agreed for the transaction was € 55.2 million. The company has been consolidated on a line-by-line basis from 31 May 2024 and, therefore, has contributed to the consolidated results at 31 December 2024 for seven months.
- The Group acquired an additional 8% of SIT S.p.A. during Q1 2024 and now holds an 88% interest in that company.
- Lastly, during Q3 2024 the Group acquired an additional 16.71% of Inoxpa Colombia SAS and now holds the entire equity interest in that company.

² See the "Corporate Power Purchase Agreement" presentation on the Group's corporate website for further information.

³ Respectively actions E.2 and E.3 in the ESG Plan for 2023-25.

⁴ Through Inoxpa SAU, the Group already held 10% of YRP (Shanghai) Flow Technology Co.

Compared with 2023, the consolidation perimeter of the Hydraulic sector changed as follows in 2024:

- on 22 April 2024, the 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 and backed by decades of design and manufacturing experience, this company specializes in the processing of rigid and flexible hydraulic hoses. The services offered by Alltube include bending, welding, brazing, ring rolling, tube forming, flushing, pressure testing and swaging. In the previous year⁵, the company generated revenues of about € 5 million, with an EBITDA margin of about 15%. The total consideration paid for the transaction was € 2.3 million. Via Alltube, the Group establishes an important presence for the development of the UK market. The company has been consolidated on a line-by-line basis from 30 April 2024 and, therefore, has contributed to the consolidated results at 31 December for eight months.
- On 11 July 2024, Interpump Group indirectly acquired 100% of H.S S.r.l. via Inoxihp S.r.l., a subsidiary. This company, active in the hydraulic sector, specializes in the design and production of hydraulic systems and circuits known for their high qualitative and manufacturing standards. In 2023, the company generated turnover of about € 4 million. The total price agreed for the transaction was € 0.1 million. The company has been consolidated on a line-by-line basis from 30 June 2024 and, therefore, has contributed to the consolidated results at 31 December for six months.
- Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC were liquidated during Q1 2024;
- Put options for the remaining 20% interests in Transtecno S.r.l. and Draintech S.r.l. were exercised during Q2 2024, raising Group ownership of both companies from 80% to 100%.
- Draintech S.r.l. was absorbed by Transtecno S.r.l. during Q3 2024, with retroactive effect from 1 January 2024.
- On 24 October 2024, the Interpump Group announced the signing of a binding agreement to purchase, via IPH Brasile, 59% of the capital of Hidrover Equipamentos Hidraulicos Ltda, which operates in the hydraulic cylinders sector. The purchase contract was signed on 2 December 2024. This company specializes in the production of hydraulic cylinders, covering the entire production process and focusing on the construction and agricultural markets. Hidrover expects to close 2024 with revenues of about € 23 million, an EBITDA margin of around 26%, and cash of approximately € 3 million⁶. The Group's entry into the cylinder sector dates back to 2008 with the acquisitions of Contarini, Modenflex, Cover, Panni Oleodinamica and HS Penta, all operating, albeit with different specializations, in the field of hydraulic cylinders and related components; in 2019, a further major step in development was taken with the acquisition of the Canadian company Hydra Dyne Tech. The consideration for the transaction was approximately € 17.5 million and a decision on the “put&call” mechanisms was made whereby Interpump Group can acquire the residual equity interest. The company has been consolidated on a

⁵Financial year from 1 November 2022 to 31 October 2023

⁶ Exchange rate at 30 September R\$/€6.0504. The cash balance relates to the position at 30 September 2024.

line-by-line basis from 1 December 2024 and, therefore, has contributed to the consolidated results at 31 December 2024 for one month.

- Lastly, Walvoil Fluid Power Mexico was formed in Q4 2024 and has been consolidated using the equity method from December 2024.

REVENUES

Revenues totaled € 2,078.4 million in 2024, down by 7.2% compared with € 2,240.0 million in 2023 (-9.2% at constant perimeter and -9.0% 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>Far East and Pacific Area</u>	<u>Rest of the World</u>	<u>Total</u>
<i>2024</i>						
Hydraulic	241,247	488,258	388,496	146,907	142,586	1,407,494
Water-Jetting	69,206	231,800	187,580	114,402	67,917	670,905
Total	310,453	720,058	576,076	261,309	210,503	2,078,399
<i>2023</i>						
Hydraulic	297,482	591,997	439,806	160,443	144,595	1,634,323
Water-Jetting	66,252	212,892	187,162	78,203	61,207	605,716
Total	363,734	804,889	626,968	238,646	205,802	2,240,039
<i>2024/2023 percentage changes</i>						
Hydraulic	-18.9%	-17.5%	-11.7%	-8.4%	-1.4%	-13.9%
Water-Jetting	+4.5%	+8.9%	+0.2%	+46.3%	+11.0%	+10.8%
Total	-14.6%	-10.5%	-8.1%	+9.5%	+2.3%	-7.2%
<i>2024/2023 at constant perimeter (%)</i>						
Hydraulic	-19.5%	-17.6%	-11.7%	-8.4%	-2.7%	-14.1%
Water-Jetting	-16.7%	+6.3%	-1.2%	+27.7%	+7.6%	+4.3%
Total	-19.0%	-11.3%	-8.6%	+3.4%	+0.3%	-9.2%

PROFITABILITY

The cost of sales accounted for 65.7% of revenues (65.2% in 2023). Production costs represented 26.8% of revenues (26.3% in 2023) and totaled € 556.4 million (€ 588.2 million in 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months, those of I.mec S.r.l. and the Waikato group for 5 months, or those of the companies acquired during 2024). The purchase cost of raw materials and components sourced on the market, including changes in inventories, accounted for 38.9% of revenues (38.9% in 2023) and totaled € 808.3 million (€ 871.8 million in 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months, those of I.mec S.r.l. and the Waikato group for 5 months, or those of the companies acquired during 2024).

At constant perimeter, distribution expenses were 0.6% lower than in 2023, with an incidence on revenues of 8.3% (7.6% in 2023).

Also at constant perimeter, general and administrative expenses rose by 2.8% with respect to 2023, with an incidence on revenues of 10.8% (9.6% in 2023).

Payroll costs totaled € 469.7 million (€ 464.0 million in 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months, those of I.mec S.r.l. and the Waikato group for 5 months, or those of the companies acquired during 2024). At constant perimeter, payroll costs amounted to € 460.2 million, down by 0.8% due to a 0.7% rise in per capita cost and a decrease in the average headcount by 140 employees.

The total number of Group employees in 2024 averaged 9,310 (9,185 at constant perimeter) compared to 9,325 in 2023. The decrease in overall average headcount by 15 breaks down as follows: plus 26 in Europe, minus 121 in North America, and plus 80 in the Rest of the World. In addition, the Group employed 1,534 temporary workers during the year (1,741 in 2023) at a cost of € 28.8 million (€ 39.3 million in 2023).

EBITDA totaled € 456.6 million (22.0% of revenues) compared to € 536.7 million in 2023, which represented 24.0% of revenues. The following table sets out EBITDA by business sector:

	<i>2024</i>	<i>% on total</i>	<i>2023</i>	<i>% on total</i>	<i>Increase/ Decrease</i>
	<u>€/000</u>	<u>revenues*</u>	<u>€/000</u>	<u>revenues*</u>	
Hydraulic	279,817	19.8%	368,919	22.5%	-24.2%
Water-Jetting	176,805	26.2%	167,806	27.5%	+5.4%
Total	456,622	22.0%	536,725	24.0%	-14.9%

* = Total revenues include those relating to other 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.

As stated earlier, 2023 benefited from non-recurring insurance proceeds of € 9 million attributable entirely to the Hydraulic sector. Excluding this amount, total EBITDA would have been 13.5% lower, while that of the Hydraulic sector would have been 22.3% lower.

EBIT amounted to € 337.8 million (16.3% of revenues) compared with € 428.8 million in 2023 (19.1% of revenues).

The effective tax rate for the year was 26.5% (26.5% in 2023), which however benefited from 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, as described in the Report on Operations in Q3 2023. Net of that amount, the tax rate in 2023 would have been 28.2%.

Net profit for 2024 was € 228.5 million (€ 277.5 million in 2023).

Basic earnings per share were € 2.123 (€ 2.565 in 2023).

Capital employed increased from € 2,370.6 million at 31 December 2023 to € 2,495.5 million at 31 December 2024, reflecting continuation of the investment programs and the acquisitions completed during the year.

ROCE was 13.5% (18.1% in 2023). ROE was 11.3% (15.4% in 2023).

CASH FLOW

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

	2024	2023
	<u>€/000</u>	<u>€/000</u>
Opening net financial position	(486,497)	(541,784)
Adjustment: opening net financial position of companies not consolidated line by line at the end of the prior year	-	(1,274)
Adjusted opening net financial position	(486,497)	(543,058)
Liquidity generated by operations	308,281	372,219
Principal portion of leasing installments paid	(19,749)	(20,540)
Cash flow generated (absorbed) by the management of operating capital	34,787	(26,495)
Cash flow generated (absorbed) by other current assets and liabilities	14,578	(13,173)
Capital expenditure on tangible fixed assets	(129,186)	(161,712)
Proceeds from the sale of tangible fixed assets	2,980	3,372
Increase in other intangible fixed assets	(9,044)	(6,608)
Financial income received	7,435	4,377
Other	(4,994)	(3,548)
Free cash flow	205,088	147,892
Acquisition of equity investments, including received debt and net of treasury shares assigned	(92,103)	(57,609)
Dividends paid	(34,986)	(34,761)
Disbursements for purchase of treasury shares	(10,337)	-
Proceeds from the sale of treasury shares to stock option beneficiaries	581	2,246
Principal portion of leasing installments paid	19,749	20,540
Principal portion of new leasing contracts arranged	(13,534)	(29,374)
Restatement and early redemption of leasing contracts	3,822	8,080
Change in other financial assets	(526)	(555)
Net cash generated (used)	77,754	56,459
Exchange differences	(301)	102
Closing net financial position	(409,044)	(486,497)

Net liquidity generated by operating activities totaled € 308.3 million (€ 372.2 million in 2023). Free cash flow increased markedly to € 205.1 million (€ 147.9 million in 2023), up 38.7%, 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:

	31/12/2024	31/12/2023	01/01/2023
	€/000	€/000	€/000
Cash and cash equivalents	392,637	334,483	358,275
Bank debts (advances and STC amounts)	(33,236)	(52,469)	(30,928)
Interest-bearing financial debts (current portion)	(241,919)	(264,911)	(288,456)
Interest-bearing financial debts (non-current portion)	(526,526)	(503,600)	(580,675)
<i>Net financial position</i>	<i>(409,044)</i>	<i>(486,497)</i>	<i>(541,784)</i>
Commitments for the purchase of equity investments (current portion)	(5,725)	(38,354)	(844)
Commitments for the purchase of equity investments (non-current portion)	(61,346)	(42,810)	(61,968)
Total net indebtedness	(476,115)	(567,661)	(604,596)

CAPITAL EXPENDITURE

Expenditure on property, plant and machinery totaled € 169 million, of which € 16.6 million through the acquisition of investments (€ 219 million in 2023, of which € 11.0 million through the acquisition of investments). The additions are analyzed in the following table.

€/000	2024 €/000	2023 €/000
Increases for the purchase of fixed assets used in the production process	127,823	164,674
Increases for machinery rented to customers	11,254	13,908
Leased assets	13,534	29,374
<i>Capex</i>	<i>152,611</i>	<i>207,956</i>
Increases through the acquisition of equity investments	16,599	11,016
Total increases in the year	169,210	218,972

The increases in 2024 include € 61.9 million invested in land and buildings (€ 78.2 million in 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 by € 19.5 million included € 10.4 million on the acquisition of equity investments (€ 19.9 million in 2023, of which € 13.1 million on the acquisition of equity investments) and the resulting recognition in the consolidated financial statements, as part of the purchase price allocation process, in part still provisional, of the fair value of the I.mec S.r.l., Alfa Valvole S.r.l. and Hidrover Equipamentos Hidraulicos Ltda brand names.

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). Information on transactions carried out with related parties is given in Note 10 of the Interim Consolidated Financial Statements at 31 December 2024. Overall, no atypical or unusual transactions were carried out with related parties during 2024 and the transactions that did take place were conducted on an arm's-length basis.

CHANGES IN GROUP STRUCTURE IN 2024

As described earlier, the scope of consolidation has changed as follows since 31 December 2023:

Water-Jetting sector:

- The newly-acquired YRP (Shanghai) Flow Technology Co., Ltd. (now Inoxpa China Flow Technology Co., Ltd) and Process Partner China Co., Ltd (now Shanghai PuPeng Flow Technology Co., Ltd.) have been consolidated from 31 March 2024;
- The Group acquired an additional 8% of SIT S.p.A. during Q1 2024 and now holds an 88% interest in that company;
- The newly-acquired Alfa Valvole S.r.l. has been consolidated from 31 May 2024;
- During Q3 2024, the Group acquired an additional 16.71% of Inoxpa Colombia SAS and now holds the entire equity interest in that company.

Hydraulic sector:

- Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC were liquidated during Q1 2024;
- The newly-acquired Alltube Engineering Ltd. has been consolidated on a line-by-line basis with effect from 30 April 2024;
- Put and call options for the residual 20% interests in Transtecno S.r.l. and Draintech S.r.l. were exercised during Q2 2024, raising Group ownership of both companies from 80% to 100%.
- The newly-acquired H.S S.r.l. has been consolidated from 1 July 2024;
- Draintech S.r.l. was absorbed by Transtecno S.r.l. during Q3 2024, with retroactive effect from 1 January 2024.
- The newly-acquired Hidrover Equipamentos Hidraulicos Ltda has been consolidated from 30 November 2024.
- Lastly, Walvoil Fluid Power Mexico was formed in Q4 2024 and has been consolidated using the equity method from December 2024.

EVENTS OCCURRING AFTER THE END OF 2024

No atypical or unusual transactions have been carried out subsequent to 31 December 2024 that would call for changes to the consolidated financial statements at that date.

**Directors' remarks on performance
in Q4 2024**

Q4 consolidated income statement

(€/000)	<u>2024</u>	<u>2023</u>
Revenues	489,890	519,597
Cost of sales	(331,388)	(346,798)
Gross profit	158,502	172,799
<i>% of revenues</i>	<i>32.4%</i>	<i>33.3%</i>
Other net revenues	10,780	10,929
Distribution expenses	(44,807)	(43,961)
General and administrative expenses	(57,665)	(53,400)
Other operating costs	(6,668)	(4,537)
EBIT	60,142	81,830
<i>% of revenues</i>	<i>12.3%</i>	<i>15.7%</i>
Financial income	16,445	6,183
Financial expenses	(14,567)	(28,619)
Equity method contribution	77	143
Profit for the period before taxes	62,097	59,537
Income taxes	(14,001)	(22,587)
Consolidated profit for the period	48,096	36,950
<i>% of revenues</i>	<i>9.8%</i>	<i>7.1%</i>
Attributable to:		
Shareholders of Parent	47,759	36,067
Minority shareholders of subsidiaries	337	883
Consolidated profit for the period	48,096	36,950
EBITDA	93,113	111,086
<i>% of revenues</i>	<i>19.0%</i>	<i>21.4%</i>
Shareholders' equity	2,019,349	1,802,904
Net financial position	409,044	486,497
Debts for the acquisition of equity investments	67,071	81,164
Capital employed	2,495,464	2,370,565
Unannualized ROCE	2.4%	3.5%
Unannualized ROE	2.4%	2.0%
Basic earnings per share	0.447	0.337

REVENUES

Revenues in Q4 2024 totaled € 489.9 million, down by 5.7% compared with € 519.6 million in Q4 2023 (-7.8% at constant perimeter and also net of exchange differences).

Net revenues in Q4 are analyzed below by business sector and geographical area:

(€/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>
<i>Q4 2024</i>						
Hydraulic	54,127	113,409	80,973	32,380	35,582	316,471
Water-Jetting	21,916	56,859	42,348	32,009	20,287	173,419
Total	76,043	170,268	123,321	64,389	55,869	489,890
<i>Q4 2023</i>						
Hydraulic	62,987	134,366	98,285	33,572	36,477	365,687
Water-Jetting	18,885	50,229	45,260	22,340	17,196	153,910
Total	81,872	184,595	143,545	55,912	53,673	519,597
2024/2023 percentage changes						
Hydraulic	-14.1%	-15.6%	-17.6%	-3.6%	-2.5%	-13.5%
Water-Jetting	+16.0%	+13.2%	-6.4%	+43.3%	+18.0%	+12.7%
Total	-7.1%	-7.8%	-14.1%	+15.2%	+4.1%	-5.7%
2024/2023 at constant perimeter (%)						
Hydraulic	-16.1%	-15.6%	-17.6%	-3.6%	-5.8%	-14.1%
Water-Jetting	-6.3%	+10.7%	-6.8%	+33.5%	+14.8%	+7.2%
Total	-13.8%	-8.4%	-14.2%	+11.3%	+0.8%	-7.8%

PROFITABILITY

The cost of sales accounted for 67.6% of revenues (66.7% in Q4 2023). Production costs, which totaled € 134.6 million (€ 142.7 million in Q4 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months, those of I.mec S.r.l. and the Waikato group for 5 months, or those of the companies acquired during 2024), accounted for 27.5% of revenues (27.5% in the equivalent period of 2023). The purchase cost of raw materials and components sourced on the market, including changes in inventories, was € 196.8 million (€ 204.1 million in the equivalent period of 2023, which however did not include the costs of IPG Mouldtech India Pvt Ltd for 3 months, those of I.mec S.r.l. and the Waikato group for 5 months, or those of the companies acquired during 2024). The incidence of purchase costs, including the change in inventories, was 40.2% (39.3% in Q4 2023).

At constant perimeter, distribution expenses fell by 0.6% with respect to Q4 2023, with a 0.6% increase in their incidence on revenues.

Also at constant perimeter, general and administrative expenses rose by 5.6% with respect to Q4 2023, with a 1.5 percentage points increase in their incidence on revenues. EBITDA totaled € 93.1 million (19.0% of revenues) compared with € 111.1 million (21.4% of revenues) in Q4 2023, reflecting a 16.2% decrease.

The following table sets out EBITDA by business sector:

	<i>Q4 2024</i>	<i>% on total</i>	<i>Q4 2023</i>	<i>% on total</i>	<i>Increase/</i>
	<i>€/000</i>	<i>revenues*</i>	<i>€/000</i>	<i>revenues*</i>	<i>Decrease</i>
Hydraulic	48,354	15.2%	70,434	19.2%	-31.3%
Water-Jetting	44,759	25.7%	40,652	26.2%	+10.1%
Total	93,113	19.0%	111,086	21.4%	-16.2%

* = Total revenues include those relating to other 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 € 60.1 million (12.3% of revenues) compared with € 81.8 million in Q4 2023 (15.7% of revenues), down by 26.5%.

The fourth quarter of 2024 closed with a consolidated net profit of € 48.1 million (€ 36.9 million in Q4 2023).

Basic earnings per share were € 0.447, compared with € 0.337 in Q4 2023.

BUSINESS OUTLOOK

The scenarios that marked FY2024 have not changed significantly in the first few weeks of 2025. The environment therefore remains complex and difficult to read: based on activity at the start of the year, the Group estimates - on an organic basis - that annual turnover will fall in the range between +1% and -5%, with the early months of 2025 being the most challenging period of the entire year. With regard to operating activities, the strength of the Water-Jetting division should mitigate the moderate downturn in the Hydraulic division.

At the same time, the Group will continue to implement all countermeasures designed to protect and consolidate margins, with the further objective of maintaining and ideally increasing the already significant level of cash generation.

Sant'Ilario d'Enza (RE), 14 February 2025

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), 14 February 2025

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>31/12/2024</u>	<u>31/12/2023</u>
ASSETS			
Current assets			
Cash and cash equivalents		392,637	334,483
Trade receivables		385,963	414,787
Inventories	4	700,614	696,428
Tax receivables		56,034	46,306
Other current assets		34,642	27,693
Total current assets		<u>1,569,890</u>	<u>1,519,697</u>
Non-current assets			
Property, plant and equipment	5	853,747	785,911
Goodwill	1	837,798	784,571
Other intangible fixed assets		76,896	70,773
Other financial assets		3,948	3,293
Tax receivables		2,635	4,297
Deferred tax assets		43,638	72,509
Other non-current assets		2,866	2,912
Total non-current assets		<u>1,821,528</u>	<u>1,724,266</u>
Assets held for sale	6	-	-
Total assets		<u>3,391,418</u>	<u>3,243,963</u>

(€/000)	<u>Notes</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
LIABILITIES			
Current liabilities			
Trade payables		237,371	262,941
Bank debts		33,236	52,469
Interest-bearing financial debts (current portion)		241,919	264,911
Tax liabilities		28,000	39,323
Other current liabilities		148,786	159,029
Provisions for risks and charges		8,342	8,525
Total current liabilities		<u>697,654</u>	<u>787,198</u>
Non-current liabilities			
Interest-bearing financial debts		526,526	503,600
Liabilities for employee benefits		21,292	21,061
Deferred tax liabilities		32,753	54,524
Tax liabilities		164	331
Other non-current liabilities		80,544	60,990
Provisions for risks and charges		13,136	13,355
Total non-current liabilities		<u>674,415</u>	<u>653,861</u>
Total liabilities		<u>1,372,069</u>	<u>1,441,059</u>
SHAREHOLDERS' EQUITY			
	7		
Share capital		55,505	55,625
Legal reserve		11,323	11,323
Share premium reserve		42,564	46,938
Remeasurement reserve for defined benefit plans		(5,923)	(5,922)
Translation reserve		38,108	11,850
Other reserves		1,866,787	1,673,764
Group shareholders' equity		<u>2,008,364</u>	<u>1,793,578</u>
Non-controlling interests		10,985	9,326
Total shareholders' equity		<u>2,019,349</u>	<u>1,802,904</u>
Total shareholders' equity and liabilities		<u>3,391,418</u>	<u>3,243,963</u>

Consolidated income statement

(€/000)	<i>Note</i>	<u>2024</u>	<u>2023</u>
	<i>s</i>		
Revenues		2,078,399	2,240,039
Cost of sales		(1,364,753)	(1,460,068)
Gross profit		713,646	779,971
Other net revenues		36,714	42,154
Distribution expenses		(173,890)	(169,744)
General and administrative expenses		(227,118)	(214,594)
Other operating costs		(11,538)	(8,968)
EBIT		337,814	428,819
Financial income	8	35,296	26,515
Financial expenses	8	(62,380)	(78,174)
Equity method contribution		302	627
Profit for the year before taxes		311,032	377,787
Income taxes		(82,550)	(100,271)
Consolidated profit for the year		228,482	277,516
Attributable to:			
Shareholders of Parent		227,063	274,269
Minority shareholders of subsidiaries		1,419	3,247
Consolidated profit for the year		228,482	277,516
Basic earnings per share	9	2.123	2.565
Diluted earnings per share	9	2.119	2.556

Consolidated statement of comprehensive income

(€/000)	<u>2024</u>	<u>2023</u>
Consolidated profit (A)	228,482	277,516
Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	26,317	(6,855)
<i>Gains (losses) from companies accounted for using the equity method</i>	(132)	(273)
<i>Applicable taxes</i>	-	-
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit, net of the tax effect (B)	26,185	(7,128)
<i>Gains (losses) deriving from the remeasurement of defined benefit plans</i>	(1)	(795)
<i>Applicable taxes</i>	-	191
Total other comprehensive income (losses) which will not subsequently be reclassified to consolidated profit, net of the tax effect (C)	(1)	(604)
Comprehensive consolidated profit for the year (A)+(B)+(C)	<u>254,666</u>	<u>269,784</u>
Attributable to:		
Shareholders of Parent	253,320	267,138
Minority shareholders of subsidiaries	1,346	2,646
Comprehensive consolidated profit for the year	<u>254,666</u>	<u>269,784</u>

Consolidated cash flow statement

(€/000)	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Profit before taxes	311,032	377,787
Adjustments for non-cash items:		
Losses (gains) on the sale of fixed assets	(5,582)	(2,753)
Amortization and depreciation	113,870	103,510
Costs recognized in the income statement relative to stock options that do not involve monetary outflows for the Group	5,262	5,290
Losses (profits) from equity investments	(302)	(627)
Net change in risk provisions and allocations to employee benefit provisions	(2,260)	(4,788)
Expenditures for tangible fixed assets to be leased	(11,250)	(14,035)
Proceeds from the disposal of leased tangible fixed assets	10,967	7,663
Net financial expenses (revenues)	27,084	51,659
Other	(26)	5
	<u>448,795</u>	<u>523,711</u>
(Increase) decrease in trade receivables and other current assets	29,264	33,735
(Increase) decrease in inventories	21,406	(6,688)
Increase (decrease) in trade payables and other current liabilities	(1,305)	(66,715)
Interest paid	(41,881)	(32,901)
Realized exchange differences	3,902	(7,015)
Taxes paid	(102,535)	(111,576)
Net cash from operating activities	<u>357,646</u>	<u>332,551</u>
Cash flows from investing activities		
Payments for the purchase of investments net of cash received and net of treasury shares assigned	(89,211)	(40,153)
Capital expenditure on property, plant and equipment	(129,186)	(161,712)
Proceeds from the sale of tangible fixed assets	2,980	3,372
Increase in intangible fixed assets	(9,044)	(6,608)
Financial income received	7,435	4,377
Other	891	1,222
Net cash (used in) investing activities	<u>(216,135)</u>	<u>(199,502)</u>
Cash flows from financing activities		
Disbursals (repayments) of loans and bonds	925	(120,640)
Dividends paid	(34,986)	(34,761)
Disbursements for purchase of treasury shares	(10,337)	-
Proceeds from the sale of treasury shares to stock option beneficiaries	581	2,246
(Disbursements) repayments of shareholder loans	(567)	(946)
Change in other financial assets	(526)	(555)
Payment of finance lease installments (principal)	(19,749)	(20,540)
Net cash generated by (used in) financing activities	<u>(64,659)</u>	<u>(175,196)</u>
Net increase (decrease) in cash and cash equivalents	<u>76,852</u>	<u>(42,147)</u>

(€/000)	<u>2024</u>	<u>2023</u>
Net increase (decrease) in cash and cash equivalents	76,852	(42,147)
Translation differences for cash held by non-EU companies	535	(3,186)
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 year	282,014	327,347
Cash and cash equivalents at the end of the year	359,401	282,014

Cash and cash equivalents consist of the following:

	31/12/2024	31/12/2023
	€/000	€/000
Cash and cash equivalents as per the consolidated statement of financial position	392,637	334,483
Bank debts (overdrafts and subject-to-collection advances)	(33,236)	(52,469)
Cash and cash equivalents as per the consolidated cash flow statement	359,401	282,014

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 2023</i>	55,584	11,323	39,444	(5,320)	18,379	1,434,138	1,553,548	12,562	1,566,110
Charge to the income statement of fair value of stock options granted and exercisable	-	-	5,289	-	-	-	5,289	-	5,289
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares to stock option beneficiaries	41	-	2,205	-	-	-	2,246	-	2,246
Transfer of treasury shares as payment 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)	(32,074)	(2,451)	(34,525)
Dividends resolved	-	-	-	-	-	-	-	-	-
Comprehensive income (loss) for 2023	-	-	-	(602)	(6,529)	274,269	267,138	2,646	269,784
<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
Charge to the income statement of fair value of stock options granted and exercisable	-	-	5,262	-	-	-	5,262	-	5,262
Purchase of treasury shares	(130)	-	(10,207)	-	-	-	(10,337)	-	(10,337)
Sale of treasury shares to stock option beneficiaries	10	-	571	-	-	-	581	-	581
Purchase of residual interests in subsidiaries	-	-	-	-	-	191	191	1,090	1,281
Dividends paid	-	-	-	-	-	(34,231)	(34,231)	(777)	(35,008)
Comprehensive income (loss) for 2024	-	-	-	(1)	26,258	227,063	253,320	1,346	254,666
<i>At 31 December 2024</i>	55,505	11,323	42,564	(5,923)	38,108	1,866,787	2,008,364	10,985	2,019,349

Q4 consolidated income statement

(€/000)		<u>2024</u>	<u>2023</u>
Revenues		489,890	519,597
Cost of sales		(331,388)	(346,798)
Gross profit		158,502	172,799
Other net revenues		10,780	10,929
Distribution expenses		(44,807)	(43,961)
General and administrative expenses		(57,665)	(53,400)
Other operating costs		(6,668)	(4,537)
EBIT		60,142	81,830
Financial income	8	16,445	6,183
Financial expenses	8	(14,567)	(28,619)
Equity method contribution		77	143
Profit for the period before taxes		62,097	59,537
Income taxes		(14,001)	(22,587)
Consolidated profit for the period		48,096	36,950
Attributable to:			
Shareholders of Parent		47,759	36,067
Minority shareholders of subsidiaries		337	883
Consolidated profit for the period		48,096	36,950
Basic earnings per share	9	0.447	0.337
Diluted earnings per share	9	0.447	0.337

Q4 consolidated statement of comprehensive income

(€/000)	2024	2023
Q4 consolidated profit (A)	48,096	36,950
Other comprehensive income (losses) which will subsequently be reclassified to consolidated profit		
<i>Gains (losses) on translating the financial statements of foreign companies</i>	34,476	(7,696)
<i>Gains (losses) from companies accounted for using the equity method</i>	20	43
<i>Applicable taxes</i>	-	-
Total other consolidated income (losses) which will subsequently be reclassified to consolidated profit, net of the tax effect (B)	34,496	(7,653)
<i>Gains (losses) deriving from the remeasurement of defined benefit plans</i>	29	(795)
<i>Applicable taxes</i>	(7)	191
Total other comprehensive income (losses) which will not subsequently be reclassified to consolidated profit, net of the tax effect (C)	22	(604)
Q4 comprehensive consolidated profit (A)+(B)+(C)	<u>82,614</u>	<u>28,693</u>
Attributable to:		
Shareholders of Parent	82,067	27,812
Minority shareholders of subsidiaries	547	881
Comprehensive consolidated profit for the period	<u>82,614</u>	<u>28,693</u>

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 December 2024 were approved by the Board of Directors today (14 February 2025).

Basis of preparation

The consolidated financial statements at 31 December 2024 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. Therefore, the consolidated financial statements at 31 December 2024 should be consulted together with the consolidated financial statements for the year ending 31 December 2023.

The accounting standards and criteria adopted in the consolidated financial statements at 31 December 2024 may conflict with IFRS provisions in force on 31 December 2024, 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 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.

- *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. This amendment is effective for annual periods that began on or after 1 January 2024.
- *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. This amendment is effective for annual periods that began on or after 1 January 2024.

The adoption of these standards had no significant effects on the financial statements of the Group.

The *International Tax Reform – Pillar Two Model Rules* took effect from 1 January 2024.

In December 2023, Decree 209/2023 (Implementation of international tax reforms) transposed into Italian law the GloBE Model Rules adopted by the European Union in Directive 2022/2523/EU; additionally, on 20 May 2024, the Deputy Minister of the economy and finance published a Decree allowing simplified transitional arrangements for domestic and multinational groups subject to the global minimum tax rules. In the same way, other countries have adopted or are about to adopt the Pillar Two Rules.

At 31 December 2023, the Interpump Group applied the exemption concerning the identification and disclosure of deferred tax assets and liabilities arising in relation to income taxes, as envisaged in the amendment to IAS 12 published in April 2023. As stated in the Annual Financial Report at 31 December 2023, to which reference is made for additional information, the Interpump Group had already made a preliminary assessment of the data relating to the 2022 tax year, which was used by the Ultimate Parent Entity to prepare the Country-by-Country Report (CbCR), in order to check the applicability of the Transitional CbCR Safe Harbor. The same assessment was also made with reference to the data for the 2023 tax year. These analyses did not identify any material impacts for the Interpump Group, had the regulation concerned already been applicable from 2023.

Based on an update of these analyses, carried out in order to prepare this Interim Report on Operations at 31 December 2024, there are no indications that the global minimum tax will have a significant impact on the Interpump Group during 2024.

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 Management-defined Performance Measures are used. 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.
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures.* On 9 May 2024, the IASB published a new standard for subsidiaries without public accountability, which allows qualifying subsidiaries to apply IFRS with limited disclosures. The application of IFRS 19 will reduce the cost of preparing the financial statements of subsidiaries, while retaining the usefulness of the information provided to the users of their accounts. The standard will apply to reporting periods beginning on or after 1 January 2027. Early application is allowed.
- *Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments.* On 30 May 2024, the IASB published an Exposure Draft that amends in particular IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments):

Disclosures), proposing amendments to ensure *inter alia* that the financial statements reflect more fairly the effects that contracts for renewable electricity have on a company. The standard will apply to reporting periods beginning on or after 1 January 2026. Early application is allowed.

- “*Annual improvements to IFRS – Volume 11*”: On 19 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards - Volume 11, which contains clarifications, simplifications, corrections and amendments to the IFRS that improve their internal consistency. The following accounting standards were modified: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements e IAS 7 Statement of Cash Flows.
The amendments are applicable from 1 January 2026. Early adoption is allowed.
- “*Amendments to IFRS 9 and IFRS 7, Amendments to the Contracts Referencing Nature-dependent Electricity*”: On 18 December 2024, the IASB published amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, to help entities report better the financial effects of contracts structured as Power Purchase Agreements (PPAs), so that investors receive clearer information about their financial performance and expected cash flows.
The standard will apply to reporting periods beginning on or after 1 January 2026. Early application is allowed.

The Group is currently assessing the possible impacts of the new standards included in this section.

Notes to the consolidated financial statements at 31 December 2024

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1. Scope of consolidation and goodwill

The scope of consolidation at 31 December 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 31/12/2024</u>
Alfa Valvole S.r.l.	Casorezzo - MI	1,560	100%	Water-Jetting
General Pump Inc.	Minneapolis - USA	1,854	100%	Water-Jetting
Hammelmann Australia Pty Ltd (1)	Melbourne - Australia	472	100%	Water-Jetting
Hammelmann Corporation Inc. (1)	Miamisburg - USA	39	100%	Water-Jetting
Hammelmann France (1)	Etrichè - France	50	100%	Water-Jetting
Hammelmann GmbH	Oelde - Germany	25	100%	Water-Jetting
Hammelmann Pump System Ltd (1)	Tianjin - China	871	90%	Water-Jetting
Hammelmann S. L. (1)	Zaragoza - Spain	500	100%	Water-Jetting
Hammelmann Swiss GmbH (1)	Dudingen - Switzerland	89	100%	Water-Jetting
I.mec S.r.l.	Reggio Emilia	100	70%	Water-Jetting
Inoxihp S.r.l.	Nova Milanese - MI	119	53%	Water-Jetting
NLB Corporation Inc.	Detroit - USA	12	100%	Water-Jetting
Pioli s.r.l.	Reggio Emilia	10	100%	Water-Jetting
SIT S.p.A.	S.Ilario d'Enza - RE	105	88%	Water-Jetting
Servizi Industriali S.r.l.	Ozzano Emilia (BO)	100	80%	Water-Jetting
Hi-Tech Enviro Solutions Limited (NZ) (dormant) (18)	Auckland (New Zealand)	-	100%	Water-Jetting
WMS GP Limited (NZ) (dormant) (18)	Hamilton (New Zealand)	-	100%	Water-Jetting
Waikato Holding Limited (NZ)	Auckland (New Zealand)	29,480	100%	Water-Jetting
Waikato Milking Systems Ireland Limited (18)	Dublin (Ireland)	1	100%	Water-Jetting
Waikato Milking Systems L.P. (NZ) (17)	Auckland (New Zealand)	46,803	100%	Water-Jetting
Waikato Milking Systems Lease Limited (NZ) (18)	Auckland (New Zealand)	-	100%	Water-Jetting
Waikato Milking Systems UK Limited (18)	Shrewsbury - United Kingdom	-	100%	Water-Jetting
Waikato Milking Systems USA LLC (19)	Verona (USA)	-	100%	Water-Jetting
Inoxpa Special Processing Equipment Co. Ltd (3)	Jianxing - China	1,647	100%	Water-Jetting
Inoxpa Colombia Sas (3)	Bogotá - Colombia	133	100%	Water-Jetting
Shanghai PuPeng Flow Technology Co., Ltd (3)	Shanghai - China	1,170	60%	Water-Jetting
Inoxpa China Flow Technology Co., Ltd	Shanghai - China	1536	60%	Water-Jetting
Inoxpa Skandinavien A/S (3)	Horsens - Denmark	134	100%	Water-Jetting
Inoxpa S.A.U.	Banyoles - Spain	23,000	100%	Water-Jetting
Inoxpa Solutions France Sas (3)	Gleize - France	2071	100%	Water-Jetting
Inoxpa (UK) Ltd (3)	Eastbourne - United Kingdom	1,942	100%	Water-Jetting
Inoxpa India Private Ltd (3)	Pune - India	6,779	100%	Water-Jetting
Inoxpa Italia Srl (3)	Mirano - VE	100	100%	Water-Jetting
Inoxpa Solutions Moldova (3)	Chisinau - Moldova	317	67%	Water-Jetting
Inoxpa Mexico S.A. de C.V. (3)	Mexico City (Mexico)	309	100%	Water-Jetting
Improved Solutions Unipessoal Ltda (Portugal) (3)	Vale de Cambra - Portugal	760	100%	Water-Jetting
INOXPA LTD (Russia) (3)	Podolsk - Russia	1,435	70%	Water-Jetting
Inoxpa Ukraine (3)	Kiev - Ukraine	113	100%	Water-Jetting
Inoxpa USA Inc (3)	Santa Rosa - USA	1,426	100%	Water-Jetting
Inoxpa South Africa Proprietary Ltd (3)	Gauteng - South Africa	104	100%	Water-Jetting
North American Manufacturing Inc. (7)	Fairmount - USA	3410	100%	Hydraulic
AllTube Engineering Ltd (6)	Daventry - United Kingdom	351	100%	Hydraulic
Bristol Hose Limited (dormant) (6)	Bristol - United Kingdom	-	100%	Hydraulic

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Contarini Leopoldo S.r.l. (4)	Lugo - RA	47	100%	Hydraulic
Copa Hydrosystem OOD (5)	Troyan - Bulgaria	3	100%	Hydraulic
Eurofluid Hydraulic S.r.l. (4)	Albinea - RE	100	80%	Hydraulic
FGA S.r.l. (8)	Fossacesia (CH)	10	100%	Hydraulic
Suministros Franquesa S.A. (16)	Lleida (Spain)	160	100%	Hydraulic
GS-Hydro Austria GmbH (10)	Pashing - Austria	40	100%	Hydraulic
GS-Hydro do Brasil Sistemas Hidraulicos Ltda (10)	Rio de Janeiro - Brazil	252	100%	Hydraulic
GS-Hydro Piping Systems (Shanghai) Co. Ltd. (11)	Shanghai - China	2,760	100%	Hydraulic
GS-Hydro System GmbH (Germany) (10)	Witten - Germany	179	100%	Hydraulic
GS-Hydro Denmark AS (10)	Kolding - Denmark	67	100%	Hydraulic
GS-Hydro S.A.U (Spain) (10)	Las Rozas - Spain	90	100%	Hydraulic
GS-Hydro Hong Kong Ltd (1)	Hong Kong	1	100%	Water-Jetting
GS-Hydro Korea Ltd. (10)	Busan - South Korea	1892	100%	Hydraulic
Walvoil Canada Inc. (9)	Terrebonne Quebec - Canada	76	100%	Hydraulic
GS-Hydro Benelux B.V. (10)	Barendrecht - Netherlands	18	100%	Hydraulic
GS-Hydro Sp Z O O (Poland) (10)	Gdynia - Poland	1,095	100%	Hydraulic
GS-Hydro Ab (Sweden) (10)	Kista - Sweden	120	100%	Hydraulic
GS-Hydro Singapore Pte Ltd (10)	Singapore	624	100%	Hydraulic
Interpump Piping GS S.r.l.	Reggio Emilia	10	100%	Hydraulic
GS- Hydro UK Ltd (10)	Aberdeen - United Kingdom	5,095	100%	Hydraulic
GS-Hydro U.S. Inc. (7)	Houston - USA	9,903	100%	Hydraulic
Walvoil Fluid Power (Dongguan) Co., Ltd (9)	Dongguan - China	3,720	100%	Hydraulic
Hydra Dyne Technology Inc (7)	Ingersoll - Canada	80	90%	Hydraulic
White Drive Motors and Steering, LLC	Hopkinsville (USA)	77,466	100%	Hydraulic
IFS FRANCE SARL (8)	Strasbourg - France	162	100%	Hydraulic
Interpump Fluid Solutions Germany GmbH (8)	Meinerzhagen - Germany	52	100%	Hydraulic
H.S. Srl (20)	Sulbiate - MB	99	100%	Hydraulic
Hidrover Equipamentos Hidraulicos Ltda (21)	Flores da Cunha - Brazil	10,107	59%	Hydraulic
Hydrocar Chile S.A. (4)	Santiago - Chile	129	90%	Hydraulic
Interpump Hydraulics France S.a.r.l. (4)	Ennery - France	76	100%	Hydraulic
Hydroven S.r.l. (4)	Tezze sul Brenta - VI	200	100%	Hydraulic
Innovativ Gummi Tech S.r.l. (8)	Ascoli Piceno (AP)	4,100	100%	Hydraulic
Wuxi Interpump Weifu Hydraulics Company Ltd (4)	Wuxi - China	2,095	65%	Hydraulic
Interpump Hydraulics India Private Ltd (4)	Hosur - India	682	100%	Hydraulic
Interpump Hydraulics Middle East FZE (4)	Dubai - United Arab Emirates	1,226	100%	Hydraulic
IMM Hydraulics S.p.A. (4)	Atessa - CH	520	100%	Hydraulic
IMM Hydro Est (8)	Catcau Cluj Napoca - Romania	3,155	100%	Hydraulic
IMM Hydraulics Ltd (dormant) (6)	Kidderminster - United Kingdom	-	100%	Hydraulic
Interpump Hydraulics S.p.A.	Calderara di Reno - BO	2,632	100%	Hydraulic
Interpump Hydraulics UK (4)	Kidderminster - United Kingdom	13	100%	Hydraulic
IPG MOULDTECH INDIA PVT LTD. (9)	Coimbatore - India	298	85%	Hydraulic
Mega Pacific Pty Ltd (6)	Newcastle – Australia	335	100%	Hydraulic
Muncie Power Prod. Inc. (4)	Muncie - USA	784	100%	Hydraulic
Mega Pacific NZ Pty Ltd (6)	Mount Maunganui - New Zealand	557	100%	Hydraulic
White Drive Motors and Steering GmbH	Parchim (Germany)	25	100%	Hydraulic
Interpump South Africa Pty Ltd (4)	Johannesburg - South Africa	-	100%	Hydraulic
Oleodinamica Panni S.r.l. (4)	Tezze sul Brenta - VI	2,000	100%	Hydraulic
RR Pacific PTY LTD (12)	Victoria - Australia	249	100%	Hydraulic
RR Canada Inc. (12)	Vaughan - Canada	1	100%	Hydraulic
RR France Sarl (12)	Thouare sur Loire - France	400	95%	Hydraulic
RR India Private Limited (dormant) (12)	New Delhi - India	52	100%	Hydraulic

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Reggiana Riduttori Srl	S. Polo d'Enza - Reggio Emilia	6,000	100%	Hydraulic
RR Holland BV (12)	Oosterhout - Netherlands	19	100%	Hydraulic
RR Slovakia A.S. (12)	Zvolen - Slovakia	340	100%	Hydraulic
RR USA Inc. (12)	Boothwyn - USA	1	100%	Hydraulic
Tubiflex S.p.a.	Orbassano - TO	515	100%	Hydraulic
Hangzhou Interpump Power Transmissions Co., Ltd. (13)	Hangzhou (China)	575	100%	Hydraulic
Transtecno Iberica the Modular Gearmotor, S.A. (13)	Gava (Spain)	203	70%	Hydraulic
Transtecno Srl	Anzola dell'Emilia - BO	100	100%	Hydraulic
Interpump Hydraulics Brasil Ltda (4)	Caxia do Sul - Brazil	15,126	100%	Hydraulic
Tekno Tubi S.r.l. (8)	Terre del Reno - FE	100	100%	Hydraulic
MA Transtecno S.A.P.I. de C.V. (13)	Apodaca (Mexico)	124	70%	Hydraulic
Transtecno BV (13)	Amersfoort (Netherlands)	18	51%	Hydraulic
Transtecno Aandrijftechniek B.V. (Holland) (14)	Amersfoort (Netherlands)	-	51%	Hydraulic
Unidro Contarini Sas (5)	Barby - France	8	100%	Hydraulic
White Drive Motors and Steering Sp. z o.o.	Wroclaw (Poland)	33,254	100%	Hydraulic
Walvoil Fluid Power Australasia (9)	Melbourne - Australia	7	100%	Hydraulic
Walvoil Fluid Power France Sarl. (9)	Vritz - France	10	100%	Hydraulic
Walvoil S.p.A.	Reggio Emilia	7,692	100%	Hydraulic
Walvoil Fluid Power (India) Pvt. Ltd. (9)	Bangalore - India	4,803	100%	Hydraulic
Walvoil Fluid Power Korea Llc. (9)	Pyeongtaek – South Korea	453	100%	Hydraulic
Walvoil Fluid Power Corp. (9)	Tulsa - USA	137	100%	Hydraulic

(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 System Lease LTD

(20) = controlled by Inoxihp S.r.l.

(21) = controlled by Interpump Hydraulics Brasil Ltda

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

The consolidation perimeter has changed as follows since 31 December 2023:

Water-Jetting sector:

- The newly-acquired YRP (Shanghai) Flow Technology Co., Ltd. (now Inoxpa China Flow Technology Co., Ltd) and Process Partner China Co., Ltd (now Shanghai PuPeng Flow Technology Co., Ltd.) have been consolidated from 31 March 2024;
- The Group acquired an additional 8% of SIT S.p.A. during Q1 2024 and now holds an 88% interest in that company;
- The newly-acquired Alfa Valvole S.r.l. has been consolidated from 31 May 2024;
- During Q3 2024, the Group acquired an additional 16.71% of Inoxpa Colombia SAS and now holds the entire equity interest in that company.

Hydraulic sector:

- Reggiana Riduttori (Suzhou) Co. Ltd and Transtecno USA LLC were liquidated during Q1 2024;
- The newly-acquired Alltube Engineering Ltd. has been consolidated on a line-by-line basis with effect from 30 April 2024;
- Put and call options for the residual 20% interests in Transtecno S.r.l. and Draintech S.r.l. were exercised during Q2 2024, raising Group ownership of both companies from 80% to 100%.
- The newly-acquired H.S S.r.l. has been consolidated from 1 July 2024;
- Draintech S.r.l. was absorbed by Transtecno S.r.l. during Q3 2024, with retroactive effect from 1 January 2024.
- The newly-acquired Hidrover Equipamentos Hidraulicos Ltda has been consolidated from 30 November 2024.
- Lastly, Walvoil Fluid Power Mexico was formed in Q4 2024 and has been consolidated using the equity method from December 2024.

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 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 financial 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.

The minority shareholders of Hidrover Equipamentos Hidraulicos Ltda have the right and obligation to dispose of their residual 41% equity interest in four tranches, based on the results for the financial year prior to exercise of the option.

The first two tranches, corresponding to a 16% interest, will be exercisable following approval of the 2026 financial statements.

The other two tranches, corresponding to the remaining 25% interest, will be exercisable following approval of the 2029 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.

In compliance with the requirements of IFRS 10 and IFRS 3, Inoxihp S.r.l., Inoxpa Solution Moldova, Hydra Dyne Technology Inc., Servizi Industriali S.r.l., Eurofluid Hydraulic S.r.l., IPG Mouldtech India Pvt Ltd, I.mec S.r.l. and Hidrover Equipamentos Hidraulicos Ltda 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.

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>	<u>Balance at</u> <u>31/12/2023</u>	<u>Increases</u> <u>in the year</u>	<u>(Decreases)</u> <u>in the year</u>	<u>Changes due to</u> <u>foreign exchange</u> <u>differences</u>	<u>Balance at</u> <u>31/12/2024</u>
Water-Jetting	230,092	23,560	-	2,520	256,172
Hydraulic	554,479	25,158	-	1,989	581,626
Total goodwill	784,571	48,718	-	4,509	837,798

The increases in 2024 reflect the acquisitions of Inoxpa China Flow Technology Co., Ltd, Shanghai PuPeng Flow Technology Co., Ltd, Alltube Engineering Ltd, Alfa Valvole S.r.l. and Hidrover Equipamentos Hidraulicos Ltda, as well as adjustments to the purchase price allocations made in 2023 and finalized in 2024, while the 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 equipment and in agricultural equipment. 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 31 December**

	Hydraulic		Water-Jetting		Elimination entries		Interpump Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues outside the Group	1,407,494	1,634,323	670,905	605,716	-	-	2,078,399	2,240,039
Inter-sector revenues	2,656	2,685	4,301	5,196	(6,957)	(7,881)	-	-
Total revenues	1,410,150	1,637,008	675,206	610,912	(6,957)	(7,881)	2,078,399	2,240,039
Cost of sales	(996,640)	(1,130,870)	(375,121)	(337,127)	7,008	7,929	(1,364,753)	(1,460,068)
Gross profit	413,510	506,138	300,085	273,785	51	48	713,646	779,971
<i>% of revenues</i>	29.3%	30.9%	44.4%	44.8%			34.3%	34.8%
Other net revenues	28,747	34,643	8,922	8,409	(955)	(898)	36,714	42,154
Distribution expenses	(99,618)	(102,914)	(74,603)	(67,222)	331	392	(173,890)	(169,744)
General and administrative expenses	(143,508)	(142,675)	(84,183)	(72,377)	573	458	(227,118)	(214,594)
Other operating costs	(8,040)	(7,602)	(3,498)	(1,366)	-	-	(11,538)	(8,968)
EBIT	191,091	287,590	146,723	141,229	-	-	337,814	428,819
<i>% of revenues</i>	13.6%	17.6%	21.7%	23.1%			16.3%	19.1%
Financial income	20,324	18,865	17,584	11,909	(2,612)	(4,259)	35,296	26,515
Financial expenses	(25,972)	(41,827)	(39,020)	(40,606)	2,612	4,259	(62,380)	(78,174)
Dividends	-	-	55,386	36,475	(55,386)	(36,475)	-	-
Equity method contribution and write-downs of investments	338	615	(1,547)	(4,933)	1,511	4,945	302	627
Profit for the year before taxes	185,781	265,243	179,126	144,074	(53,875)	(31,530)	311,032	377,787
Income taxes	(48,502)	(68,134)	(34,048)	(32,137)	-	-	(82,550)	(100,271)
Consolidated profit for the year	137,279	197,109	145,078	111,937	(53,875)	(31,530)	228,482	277,516
Attributable to:								
Shareholders of Parent	136,587	194,839	144,351	110,960	(53,875)	(31,530)	227,063	274,269
Minority shareholders of subsidiaries	692	2,270	727	977	-	-	1,419	3,247
Consolidated profit for the year	137,279	197,109	145,078	111,937	(53,875)	(31,530)	228,482	277,516
<u>Further information required by IFRS 8</u>								
Amortization, depreciation and write-downs	85,079	78,193	28,898	25,317	-	-	113,977	103,510
Other non-monetary costs	8,043	7,490	8,995	9,094	(1,511)	(4,945)	15,527	11,639

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

Q4

	Hydraulic		Water-Jetting		Elimination entries		Interpump Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues outside the Group	316,471	365,687	173,419	153,910	-	-	489,890	519,597
Inter-sector revenues	683	506	935	1,209	(1,618)	(1,715)	-	-
Total revenues	317,154	366,193	174,354	155,119	(1,618)	(1,715)	489,890	519,597
Cost of sales	(235,683)	(261,991)	(97,339)	(86,538)	1,634	1,731	(331,388)	(346,798)
Gross profit	81,471	104,202	77,015	68,581	16	16	158,502	172,799
<i>% of revenues</i>	<i>25.7%</i>	<i>28.5%</i>	<i>44.2%</i>	<i>44.2%</i>			<i>32.4%</i>	<i>33.3%</i>
Other net revenues	8,344	8,457	2,786	2,800	(350)	(328)	10,780	10,929
Distribution expenses	(25,110)	(25,861)	(19,823)	(18,275)	126	175	(44,807)	(43,961)
General and administrative expenses	(35,726)	(34,031)	(22,147)	(19,506)	208	137	(57,665)	(53,400)
Other operating costs	(5,140)	(4,019)	(1,528)	(518)	-	-	(6,668)	(4,537)
EBIT	23,839	48,748	36,303	33,082	-	-	60,142	81,830
<i>% of revenues</i>	<i>7.5%</i>	<i>13.3%</i>	<i>20.8%</i>	<i>21.3%</i>			<i>12.3%</i>	<i>15.7%</i>
Financial income	8,324	3,671	8,630	3,486	(509)	(974)	16,445	6,183
Financial expenses	(5,806)	(15,299)	(9,270)	(14,294)	509	974	(14,567)	(28,619)
Dividends	-	-	636	225	(636)	(225)	-	-
Equity method contribution and write-downs of investments	74	136	(1,508)	(4,938)	1,511	4,945	77	143
Profit for the period before taxes	26,431	37,256	34,791	17,561	875	4,720	62,097	59,537
Income taxes	(5,516)	(8,189)	(8,485)	(14,398)	-	-	(14,001)	(22,587)
Consolidated profit for the period	20,915	29,067	26,306	3,163	875	4,720	48,096	36,950
Attributable to:								
Shareholders of Parent	20,785	28,460	26,099	2,887	875	4,720	47,759	36,067
Minority shareholders of subsidiaries	130	607	207	276	-	-	337	883
Consolidated profit for the period	20,915	29,067	26,306	3,163	875	4,720	48,096	36,950
Further information required by IFRS 8								
Amortization, depreciation and write-downs	23,035	20,150	8,033	7,172	-	-	31,068	27,322
Other non-monetary costs	3,415	3,877	3,939	6,260	(1,511)	(4,945)	5,843	5,192

Financial position
(Amounts shown in €/000)

	Hydraulic		Water-Jetting		Elimination entries		Interpump Group	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Assets by sector	2,109,649	2,131,325	950,399	858,703	(61,267)	(81,548)	2,998,781	2,909,480
Assets held for sale	-	-	-	-	-	-	-	-
Assets of the sector (A)	2,109,649	2,131,325	950,399	858,703	(61,267)	(81,548)	2,998,781	2,909,480
Cash and cash equivalents							392,637	334,483
Total assets							3,391,418	3,243,963
Liabilities of the sector (B)	357,186	443,088	207,398	177,375	(61,267)	(81,548)	503,317	538,915
Debts for the acquisition of equity investments							67,071	81,164
Bank debts							33,236	52,469
Interest-bearing financial debts							768,445	768,511
Total liabilities							1,372,069	1,441,059
Total assets, net (A-B)	1,752,463	1,688,237	743,001	682,328			2,495,464	2,370,565
Further information required by IFRS 8								
Equity investments measured using the equity method	1,402	1,025	580	563			1,982	1,588
Non-current assets other than financial assets and deferred tax assets	1,278,703	1,215,942	495,239	432,522			1,773,942	1,648,464

The changes in the consolidation perimeter of the Hydraulic sector during Q4 2024 did not generate significant changes in its economic data.

The 2024 full year and Q4 comparison of the Water Jetting sector at constant perimeter is as follows:

	Year		Q4	
	2024	2023	2024	2023
Revenues outside the Group	631,934	605,716	165,056	153,910
Inter-sector revenues	4,300	5,196	934	1,209
Total revenues	636,234	610,912	165,990	155,119
Cost of sales	(351,583)	(337,127)	(92,278)	(86,538)
Gross profit	284,651	273,785	73,712	68,581
<i>% of revenues</i>	<i>44.7%</i>	<i>44.8%</i>	<i>44.4%</i>	<i>44.2%</i>
Other net revenues	8,596	8,409	2,815	2,800
Distribution expenses	(69,606)	(67,222)	(18,793)	(18,275)
General and administrative expenses	(78,266)	(72,377)	(21,093)	(19,506)
Other operating costs	(3,140)	(1,366)	(1,506)	(518)
EBIT	142,235	141,229	35,135	33,082
<i>% of revenues</i>	<i>22.4%</i>	<i>23.1%</i>	<i>21.2%</i>	<i>21.3%</i>
Financial income	16,496	11,909	8,625	3,486
Financial expenses	(37,959)	(40,606)	(9,206)	(14,294)
Dividends	55,386	36,475	636	225
Equity method contribution and write-downs of investments	(1,547)	(4,933)	(1,508)	(4,938)
Profit for the period before taxes	174,611	144,074	33,682	17,561
Income taxes	(31,994)	(32,137)	(8,166)	(14,398)
Consolidated profit for the period	142,617	111,937	25,516	3,163
Attributable to:				
Shareholders of Parent	141,992	110,960	25,336	2,887
Minority shareholders of subsidiaries	625	977	180	276
Consolidated profit for the period	142,617	111,937	25,516	3,163

Cash flows for the year by business sector are as follows:

€/000	Hydraulic		Water-Jetting		Total	
	2024	2023	2024	2023	2024	2023
Cash flows from:						
Operating activities	259,354	256,131	98,292	76,420	357,646	332,551
Investing activities	(109,989)	(142,175)	(106,146)	(57,327)	(216,135)	(199,502)
Financing activities	(92,639)	(78,756)	27,980	(96,440)	(64,659)	(175,196)
Total	56,726	35,200	20,126	(77,347)	76,852	(42,147)

Investing activities in the Hydraulic sector included € 14,887 thousand associated with the acquisition of equity investments (€ 2,171 thousand in 2023) and expenditure on property, plant and equipment totaling € 95,857 thousand (€ 139,505 thousand in 2023).

The investing activities of the Water-Jetting sector included € 74,324 thousand associated with the acquisition of equity investments (€ 37,982 thousand in 2023).

The cash flows deriving from the financing activities of the Water-Jetting sector included proceeds from the sale of treasury shares to the beneficiaries of stock options totaling € 581 thousand (€ 2,246 thousand in 2023), € 10,337 thousand for the purchase of treasury shares (zero outlays in 2023) and dividend payments of € 34,379 thousand (€ 32,567 thousand in 2023).

The cash flows deriving from the financing activities of the Hydraulic sector include the payment of dividends to Water-Jetting Sector companies totaling € 55,375 thousand (€ 36,475 thousand in 2023).

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 definitive purchase price allocation was constant with respect to the provisional PPA published in the 2023 Annual Financial Report, to which reference is made for further details.

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 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)
Bank debts	-	-	-
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)
Net assets acquired	7,841	1,631	9,472
Goodwill related to the acquisition			13,628
Total net assets acquired			23,100

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Total amount paid in cash			14,000
Amount paid by assigning treasury shares			-
Amount payable			9,100
Total acquisition cost (A)			23,100
Net financial position acquired (B)			(202)
Total amount paid in cash			14,000
Amount payable			9,100
Total change in net financial position			22,898
Capital employed (A) - (B)			22,898

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 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)
Bank debts	(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)	-	-	-
Net assets acquired	17,503	-	17,503

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Goodwill related to the acquisition			2,726
Total net assets acquired			20,229
Total amount paid in cash			20,229
Amount paid by assigning treasury shares			-
Amount payable			-
Total acquisition cost (A)			20,229
Net financial position acquired (B)			13,098
Total amount paid in cash			20,229
Amount payable			-
Total change in net financial position			33,327
Capital employed (A) - (B)			33,327

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.

Inoxpa China Flow Technology Co., Ltd

On 9 April 2024 Interpump Group announced the acquisition, via Inoxpa SAU, of a 60%⁷ equity interest in YRP (Shanghai) Flow Technology Co., Ltd. (now Inoxpa China Flow Technology Co., Ltd.). With support from the Inoxpa group, the company was formed in 2016 to distribute components, valves, pumps and actuators in China, as the exclusive distributor for the Inoxpa group in the region. The total value of the transaction was set at about € 1.5 million.

The provisional purchase price allocation is presented below:

⁷ Through Inoxpa SAU, the Group already held 10% of Inoxpa China Flow Technology Co., Ltd.

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Cash and cash equivalents	945		945
Trade receivables	798		798
Inventories	802		802
Tax receivables			
Other current assets	399		399
Property, plant and equipment	1,573		1,573
Other intangible fixed assets			
Other financial assets			
Deferred tax assets	109		109
Other non-current assets	47		47
Trade payables	(1,364)		(1,364)
Leasing payables (current portion)	(115)		(115)
Tax liabilities	(6)		(6)
Other current liabilities	(114)		(114)
Provision for risks (non-current portion)			
Leasing payables (non-current portion)	(1,264)		(1,264)
	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Employee benefits (severance indemnity provision)			
Deferred tax liabilities			
Non-controlling interests	(854)		(854)
Net assets acquired			956
Goodwill related to the acquisition			688
Total net assets acquired			1,644
Total amount paid in cash			1,544
10% interest already held by Inoxpa SAU			100
Payables related to the acquisition of investments			
Total acquisition cost (A)			1,644
Net financial position acquired (B)			434
Total amount paid in cash			1,544
10% interest already held by Inoxpa SAU			100
Amount payable			-
Total change in net financial position			2,078
Capital employed (A) - (B)			2,078

The amounts for the company were translated using the exchange rates at 31 March 2024.

The company has been consolidated on a line-by-line basis from 1 April 2024.

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.

Since the acquisition date, the company has contributed € 5.4 million to the revenues of the Group, with an insignificant effect on net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 5.6 million, with an insignificant effect on net profit.

Shanghai PuPeng Flow Technology Co., Ltd

On 9 April 2024 Interpump Group announced the acquisition, via Inoxpa SAU, of a 60% equity interest in Process Partner China Co., Ltd., now Shanghai PuPeng Flow Technology Co., Ltd. This company was founded in 2015 and specializes in the production and sale of plant and complete solutions for the food processing industry, especially dairy. The total value of the transaction was set at about € 1.4 million. The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Cash and cash equivalents	1,494		1,494
Trade receivables	2,217		2,217
Inventories	134		134
Tax receivables			-
Other current assets	662		662
Property, plant and equipment	129		129
Other intangible fixed assets			-
Other financial assets			-
			Carrying values in the acquiring company
€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Deferred tax assets			-
Other non-current assets	2		2
Trade payables	(1,940)		(1,940)
Financial debts to banks - loans (current portion)	(384)		(384)
Leasing payables (current portion)			-
Tax liabilities	(46)		(46)
Other current liabilities	(520)		(520)
Provision for risks (non-current portion)			-
Leasing payables (non-current portion)			-
Employee benefits (severance indemnity provision)			-
Deferred tax liabilities			-
Non-controlling interests	(699)		(699)
Net assets acquired			1,049
Goodwill related to the acquisition			351
Total net assets acquired			1,400
Total amount paid in cash			1,400
Payables related to the acquisition of investments			-
Total acquisition cost (A)			1,400
Net financial position acquired (B)			(1,110)
Total amount paid in cash			1,400
Amount payable			-
Total change in net financial position			290
Capital employed (A) - (B)			290

The amounts for the company were translated using the exchange rates at 31 March 2024.

The company has been consolidated on a line-by-line basis from 1 April 2024.

The transaction was accounted for using the acquisition method.

Since the acquisition date, the company has contributed € 2.5 million to the revenues of the Group, with an insignificant effect on net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 4.2 million, with an insignificant effect on net profit.

Alltube Engineering Ltd

On 22 April 2024, Interpump Group announced the acquisition, through Interpump Hydraulics Ltd., a British subsidiary, of the entire share capital of Alltube Engineering Ltd. Founded in 1986 and backed by decades of design and manufacturing experience, this company specializes in the processing of rigid and flexible hydraulic hoses. In the previous financial year⁸, the company generated turnover of about € 5 million, with an EBITDA margin of about 15%. The total consideration paid for the transaction was € 2.3 million.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Cash and cash equivalents	1,399		1,399
Trade receivables	817		817
Inventories	507		507
Tax receivables			-
Other current assets	41		41
Property, plant and equipment	382		382
Other intangible fixed assets			-
Other financial assets			-
Deferred tax assets			-
Other non-current assets			-
Trade payables	(397)		(397)
Financial debts to banks - loans (current portion)			-
Leasing payables (current portion)			-
Tax liabilities	(378)		(378)
Other current liabilities	(58)		(58)
Provision for risks (non-current portion)			-
Leasing payables (non-current portion)			-
Employee benefits (severance indemnity provision)			-
Deferred tax liabilities	(54)		(54)
Non-controlling interests			-
Net assets acquired			2,259
Goodwill related to the acquisition			377
Total net assets acquired			2,636
Total amount paid in cash			2,636
Payables related to the acquisition of investments			-
Total acquisition cost (A)			2,636
Net financial position acquired (B)			(1,399)
Total amount paid in cash			2,636
Amount payable			-
Total change in net financial position			1,237
Capital employed (A) - (B)			1,237

⁸Financial year from 1 November 2022 to 31 October 2023

The amounts for the company were translated using the exchange rates at 30 April 2024.

The company has been consolidated on a line-by-line basis from 1 May 2024.

The transaction was accounted for using the acquisition method.

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

Since the acquisition date, the contribution of the company to the revenues of the Group has not been significant.

Alfa Valvole S.r.l.

On 3 June 2024 Interpump Group announced the acquisition of 100% of the capital of Alfa Valvole S.r.l. from IDEX Corporation, a US company.

The company is positioned in the high-end segment of the valves sector, given the quality and services offered to customers. Following the absorption of OBL (specialist in the design and production of volumetric pumps) in 2021, the company became a provider of integrated solutions for the movement and management of industrial fluids. In 2023, the company generated turnover of about € 28 million, with an EBITDA margin of about 26%. The total price agreed for the transaction was € 55.2 million.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Cash and cash equivalents	13,375		13,375
Trade receivables	7,992		7,992
Inventories	6,675		6,675
Tax receivables	384		384
Other current assets	301		301
Property, plant and equipment	2,841	7,273	10,114
Other intangible fixed assets	100	4,971	5,071
Other financial assets	-		-
Deferred tax assets	654		654
Other non-current assets	22		22
Trade payables	(3,274)		(3,274)
Financial debts to banks - loans (current portion)	-		-
Leasing payables (current portion)	(100)		(100)
Tax liabilities	(750)		(750)
Other current liabilities	(2,146)		(2,146)
Provisions for risks and charges (current portion)	(60)		(60)
Leasing payables (non-current portion)	(178)		(178)
Employee benefits (severance indemnity provision)	(941)		(941)
Deferred tax liabilities	(15)	(3,416)	(3,431)
Other medium/long-term liabilities	(502)		(502)
Net assets acquired			33,206
Goodwill related to the acquisition			21,740
Total net assets acquired			54,946
Total amount paid in cash			54,946
Payables related to the acquisition of investments			-
Total acquisition cost (A)			54,946

Net financial position acquired (B)	(13,097)
Total amount paid in cash	54,946
Amount payable	-
Total change in net financial position	41,849
Capital employed (A) - (B)	41,849

The transaction was accounted for using the acquisition method.

The company has been consolidated on a line-by-line basis from 1 June 2024. The goodwill was allocated in full to the Water-Jetting CGU and is not relevant for tax purposes.

Since the acquisition date, the company has contributed € 16.2 million to the revenues of the Group and € 2.7 million to net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 28.4 million, with an effect on net profit of € 4.4 million.

H.S. S.r.l.

On 11 July 2024, Interpump Group indirectly acquired 100% of H.S S.r.l. via Inoxihp S.r.l., a subsidiary.

This company, active in the hydraulic sector, specializes in the design and production of hydraulic systems and circuits known for their high qualitative and manufacturing standards. In 2023, the company generated turnover of about € 4 million. The total price agreed for the transaction was € 0.1 million.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Cash and cash equivalents	88		88
Trade receivables	2,311		2,311
Inventories	1,078		1,078
Tax receivables	44		44
Other current assets	8		8
Property, plant and equipment	385		385
Other intangible fixed assets	10		10
Deferred tax assets	228		228
Other non-current assets	50		50
Trade payables	(1,549)		(1,549)
Bank debts	(569)		(569)
Financial debts to banks - loans (current portion)	(216)		(216)
Leasing payables (current portion)	(124)		(124)
Tax liabilities	(71)		(71)
Other current liabilities	(284)		(284)
Financial debts to banks – loans (medium-/long-term portion)	(256)		(256)
Provisions for risks and charges (current portion)			
Leasing payables (non-current portion)	(194)		(194)
Employee benefits (severance indemnity provision)	(652)		(652)
Deferred tax liabilities	(8)		(8)
Net assets acquired			279
Negative goodwill related to the acquisition			(179)
Total net assets acquired			100

Total amount paid in cash	100
Payables related to the acquisition of investments	-
Total acquisition cost (A)	100
Net financial position acquired (B)	1,271
Total amount paid in cash	100
Amount payable	-
Total change in net financial position	1,371
Capital employed (A) - (B)	1,371

The transaction was accounted for using the acquisition method.

The company has been consolidated on a line-by-line basis from 1 July 2024.

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

Since the acquisition date, the company has contributed € 2.5 million to the revenues of the Group, with an insignificant effect on net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 5.9 million, with an insignificant effect on net profit.

Hidrover Equipamentos Hidraulicos Ltda

On 24 October 2024, the Interpump Group signed a binding agreement to purchase, via Interpump Hydraulics Brasil Ltda., 59% of the capital of Hidrover Equipamentos Hidraulicos Ltda., which operates in the hydraulic cylinders sector.

This company specializes in the production of hydraulic cylinders, covering the entire production process and focusing on the construction and agricultural markets. The price paid for operation was approximately € 17.5 million and “put&call” mechanisms have already been defined, through which the Group may acquire the residual 41% equity interest in four tranches. The first two (corresponding to a 16% interest) will be exercisable following approval of the 2026 financial statements, while the other two (corresponding to the remaining 25% interest) will be exercisable following approval of the 2029 financial statements.

The provisional purchase price allocation is presented below:

€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Cash and cash equivalents	3,626		3,626
Trade receivables	2,990		2,990
Inventories	5,083		5,083
Tax receivables	291		291
Other current assets	63		63
Property, plant and equipment	4,023		4,023
Other intangible fixed assets	29	3,018	3,047
Deferred tax assets	628		628
Other non-current assets	10		10
Trade payables	(1,931)		(1,931)
Bank debts	-		-
Financial debts to banks - loans (current portion)	(2)		(2)
Leasing payables (current portion)	-		-
Tax liabilities	(210)		(210)
Other current liabilities	(1,065)		(1,065)
Financial debts to banks – loans (medium-/long-term portion)	(138)		(138)
Provisions for risks and charges (current portion)	(24)		(24)
Provisions for risks and charges (non-current portion)	(691)		(691)
Employee benefits (severance indemnity provision)	-		-
Deferred tax liabilities	-	(1,026)	(1,026)
Net assets acquired			14,674
Negative goodwill related to the acquisition			24,781
Total net assets acquired			39,455
Total amount paid in cash			10,893
€/000	Amounts acquired	Adjustment to fair value	Carrying values in the acquiring company
Total acquisition cost (A)			39,455
Net financial position acquired (B)			(3,486)
Total amount paid in cash			10,893
Amount payable			28,562
Total change in net financial position			35,969
Capital employed (A) - (B)			35,969

The amounts for the company were translated using the exchange rates at 30 November 2024.

The company has been consolidated on a line-by-line basis from 1 December 2024.

The transaction was accounted for using the acquisition method.

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

Since the acquisition date, the company has contributed € 1.2 million to the revenues of the Group, with an insignificant effect on net profit. Had the business combination taken place at the start of 2024, the contribution to Group revenues would have been € 23.9 million, with an effect on net profit of € 4.5 million.

4. Inventories and detail of changes in the Inventories allowance

	31/12/2024	31/12/2023
	€/000	€/000
Inventories, gross value	757,082	745,399
Allowance for inventories	(56,468)	(48,971)
Inventories	700,614	696,428

Changes in the allowance for inventories were as follows:

	2024	2023
	€/000	€/000
Opening balances	48,971	46,749
Exchange rate difference	739	(695)
Change in consolidation basis	3,315	1,575
Provisions for the year	7,517	4,522
Releases in the year to cover losses	(2,846)	(2,221)
Release of excess provisions in the year	(1,228)	(959)
Closing balance	56,468	48,971

5. Property, plant and equipment

Purchases and disposals

In 2024 Interpump Group acquired assets for € 169,210 thousand, of which € 16,599 thousand through the acquisition of equity investments (€ 218,972 thousand in 2023, of which € 11,016 thousand through the acquisition of equity investments). Assets retired in 2024 had a net carrying amount of € 8,364 thousand (€ 8,552 thousand in 2023). Divested assets generated a net capital gain of € 5,582 thousand (€ 2,753 thousand in 2023).

Contractual commitments

At 31 December 2024 the Group has contractual commitments for the purchase of tangible fixed assets totaling € 9,601 thousand (€ 4,341 thousand at 31 December 2023). This amount mainly reflects commitments signed for the renewal of installations and the construction of new buildings.

6. Assets held for sale

The Group did not have any assets classified as held for sale at 31 December 2024.

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 € 55.625 million, 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 December 2024 Interpump S.p.A. holds 2,138,363 treasury shares in the portfolio, corresponding to 1.964% of share capital, acquired at an average unit cost of € 39.08417.

Treasury shares purchased

The amount of the treasury shares held by Interpump Group S.p.A. is recorded in an equity reserve. Interpump Group acquired 250,000 treasury shares for € 10,337 thousand in 2024 (no treasury shares were purchased in 2023).

Treasury shares sold

In the framework of the exercise of stock options, a total of 20,500 options were exercised, resulting in proceeds of € 581 thousand (79,000 options were exercised for € 2,246 thousand in 2023).

Dividends

An ordinary dividend (coupon clipping date of 20 May 2024) of € 0.32 per share was distributed on 22 May 2024 (€ 0.30 in 2023).

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 21,200 options were canceled in 2024 (2,000 in 2023).

See the 2023 Annual Financial Report for information about the fair value of the stock options and the actuarial assumptions used in the binomial lattice model, since no changes were made during 2024.

8. Financial income and expenses

The breakdown for the year is as follows:

	2024	2023
	<u>€/000</u>	<u>€/000</u>
<u>Financial income</u>		
Interest income from liquid funds	7,440	4,162
Interest income from other assets	179	213
Exchange gains	20,302	21,580
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	7,118	495
TFR financial income	-	-
Other financial income	257	65
Total financial income	35,296	26,515
<u>Financial expenses</u>		
Interest expense on bank loans	31,710	32,010
Interest expense on bond	3,912	-
Lease interest expense	4,873	3,808
Interest expense on put options	2,587	3,099
Financial expenses for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	594	6,836
TFR financial expenses	752	593
Foreign exchange losses	17,642	31,592
Other financial expenses	310	236
Total financial expenses	62,380	78,174
Total financial expenses (income), net	<u>27,084</u>	<u>51,659</u>

The breakdown for Q4 is as follows:

	2024	2023
	<u>€/000</u>	<u>€/000</u>
<u>Financial income</u>		
Interest income from liquid funds	1,713	1,812
Interest income from other assets	77	(62)
Exchange gains	7,497	4,287
Financial income to adjust estimated debt for commitment to purchase residual interests in subsidiaries	7,098	168
TFR financial income	-	-
Other financial income	60	(22)
Total financial income	16,445	6,183
<u>Financial expenses</u>		
Interest expense on bank loans	7,118	9,410
Interest expense on bond	1,067	-
Lease interest expense	1,264	1,198
Interest expense on put options	835	760
Financial expenses for adjustment of estimated debt for commitment to purchase residual interests in subsidiaries	586	4,870
TFR financial expenses	752	593
Foreign exchange losses	2,709	11,742
Other financial expenses	236	46
Total financial expenses	14,567	28,619
Total financial expenses (income), net	<u>(1,878)</u>	<u>22,436</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>Year</i>	2024	2023
Consolidated net profit attributable to the owners of the Parent company (€/000)	227,063	274,269
Average number of shares in circulation	106,961,791	106,939,951
Basic earnings per share for the year (€)	2.123	2.565
<i>Q4</i>	2024	2023
Consolidated net profit attributable to the owners of the Parent company (€/000)	47,759	36,067
Average number of shares in circulation	106,748,486	106,966,621
Basic earnings per share for the quarter (€)	0.447	0.337

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>Year</i>	2024	2023
Consolidated net profit attributable to the owners of the Parent company (€/000)	227,063	274,269
Average number of shares in circulation	106,961,791	106,939,951
Number of potential shares for stock option plans (*)	188,426	374,316
Average number of shares (diluted)	107,150,214	107,314,267
Earnings per diluted share for the year (€)	2.119	2.556
<i>Q4</i>	2024	2023
Consolidated net profit attributable to the owners of the Parent company (€/000)	47,759	36,067
Average number of shares in circulation	106,748,486	106,966,621
Number of potential shares for stock option plans (*)	192,590	186,534
Average number of shares (diluted)	106,941,076	107,153,155
Earnings per diluted share for the quarter (€)	0.447	0.337

(*) 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 Group's consolidated income statements for 2024 and 2023 are shown below:

	2024					
	Consolidated total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Revenues	2,078,399	927	-	2,075	3,002	0.1%
Cost of sales	1,364,753	572	-	4,865	5,437	0.4%
Other operating income	36,714	23	-	-	23	0.1%
Distribution expenses	173,890	374	-	588	962	0.6%
G&A expenses	227,118	-	-	653	653	0.3%
Financial expenses	62,380	-	-	691	691	1.1%
	2023					
	Consolidated total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Revenues	2,240,039	774	-	1,070	1,844	0.1%
Cost of sales	1,460,068	402	-	6,232	6,634	0.5%
Other operating income	42,154	3	-	-	3	0.0%
Distribution expenses	169,744	190	-	744	934	0.6%
G&A expenses	214,594	-	-	633	633	0.3%
Financial expenses	78,146	-	-	662	662	0.8%

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

	2024					
	Consolidated total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Trade receivables	385,963	1,568	-	505	2,073	0.5%
Trade payables	237,371	120	-	650	770	0.3%
Interest-bearing financial debts (current and non-current portions)	768,445	-	-	12,914	12,914	1.7%

	2023					
	Consolidated total	Non-consolidated subsidiaries	Associates	Other related parties	Total related parties	% incidence on F.S. caption
(€/000)						
Trade receivables	414,787	1,373	-	425	1,798	0.4%
Trade payables	262,941	47	-	703	750	0.3%
Interest-bearing financial debts (current and non-current portions)	768,511	-	-	16,299	16,299	2.1%

Relations with non-consolidated subsidiaries

Relations with non-consolidated subsidiaries are as follows:

(€/000)	Receivables		Revenues	
	<u>31/12/2024</u>	<u>31/12/2023</u>	<u>2024</u>	<u>2023</u>
General Pump China Inc.	41	109	274	211
Interpump Hydraulics Perù	1,473	1,263	663	397
Interpump Hydraulics Russia	-	1	-	169
Hammelmann Russia	-	-	-	-
Interpump Antriebstechnik GmbH	2	-	-	-
Walvoil Fluid Power Mexico	52	-	13	-
Total subsidiaries	1,568	1,373	950	777

(€/000)	Payables		Costs	
	<u>31/12/2024</u>	<u>31/12/2023</u>	<u>2024</u>	<u>2023</u>
General Pump China Inc.	83	47	683	558
Interpump Hydraulics Perù	-	-	13	8
Interpump Hydraulics Russia	-	-	-	-
Hammelmann Russia	-	-	-	-
Interpump Antriebstechnik GmbH	37	-	250	26
Walvoil Fluid Power Mexico	-	-	-	-
Total subsidiaries	120	47	946	592

Relations with associates

The Group does not hold equity investments in associated companies.

Transactions with other related parties

The 2024 income statement includes consultancy provided by entities associated with Group directors and statutory auditors totaling € 45 thousand (€ 51 thousand in 2023). The consultancy costs were charged in full to general and administrative expenses in both 2024 and 2023. Revenues from sales in 2024 included those made to companies owned by Group shareholders or directors totaling € 2,075 thousand (€ 1,070 thousand in 2023). In addition, the cost of sales includes purchases from companies controlled by minority shareholders or Group company directors totaling € 4,844 thousand (€ 5,891 thousand in 2023).

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. No substantial changes in disputes or contingent liabilities have taken place since 31 December 2024.