

INTERPUMP

Sector: Industrials

OUTPERFORM

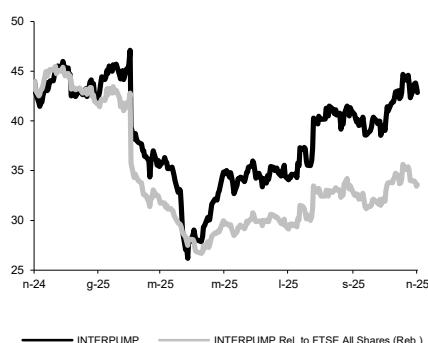
Price: Eu42.86 - Target: Eu50.00

Earnings Momentum Continues to Build

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 49.00 to 50.00		
	2025E	2026E	2027E
Chg in Adj EPS	0.6%	0.8%	1.0%

INTERPUMP - 12M Performance



Stock Data			
Reuters code:	ITPG.MI		
Bloomberg code:	IP IM		
Performance	1M	3M	12M
Absolute	9.7%	6.7%	-2.6%
Relative	5.5%	3.6%	-30.2%
12M (H/L)	47.12/26.18		
3M Average Volume (th):	232.16		

Shareholder Data	
No. of Ord shares (mn):	109
Total no. of shares (mn):	109
Mkt Cap Ord (Eu mn):	4,667
Total Mkt Cap (Eu mn):	4,667
Mkt Float - Ord (Eu mn):	3,509
Mkt Float (in %):	75.2%
Main Shareholder:	
IPG Holding	24.8%

Balance Sheet Data	
Book Value (Eu mn):	2,196
BVPS (Eu):	20.27
P/BV:	2.1
Net Financial Position (Eu mn):	-343
Enterprise Value (Eu mn):	4,926

■ **Sequential improvement in Hydraulics and strong FCF acceleration:** as anticipated, after a 2Q driven by the outstanding performance of the Water Jetting division, the spotlight in 3Q shifted to Hydraulics, which delivered an even stronger-than-expected acceleration in organic growth. The division ended a seven-quarter streak of negative organic performance, posting +3.4% organic growth, improving sharply from -14.5% in 1Q and -7.0% in 2Q. This rebound was underpinned by the recovery in several end markets that were the first to decelerate in 2023, with Agriculture up +18% YoY, Earth Moving +15%, and Lifting +7%. Water Jetting remained slightly positive in organic terms (+0.2%), reflecting a slower pace due to a tougher comparison base (3Q24 was already up +8.5% YoY). Overall, revenues came in at €499mn (vs. €495mn expected), up 1.3% YoY, supported by +2.3% organic growth, a +2.0% contribution from acquisitions, and a -3.0% negative ForEx effect. The improvement in the Hydraulics organic top line trend, combined with the efficiency measures implemented by management in recent quarters, translated into a c.40bp YoY margin expansion, with group EBITDA reaching €115mn (vs. €114mn expected). Finally, further encouraging confirmation came from the acceleration in cash generation, with FCF reaching €87mn (vs. €82mn expected), driven by solid NWC management and a normalisation of CapEx. This led to net debt (ex-put options) of €318mn, better than our €324mn estimate.

■ **Now targeting the upper end of the guidance range:** in light of 9M results and a continuation of positive trends in October, management, while confirming the guidance range (sales growth of between +1% and -5% in organic terms, EBITDA margin between 22.0% and 22.5%) is now confident of achieving the upper end, while at the same time aiming to set a new record for cash generation thanks in part to the normalisation of CapEx after the extraordinary investment cycle of the last 3 years. Order intake remains robust in both divisions, with Hydraulics benefitting from the end of clients' de-stocking, with orders now reflecting their production needs rather than being reined in to a lower level, as has been the case in the recent past. As for M&A, the pipeline is quite well populated and more and more opportunities are arising on the market. As always, the aim of any deal would be to increase geographical, product or application diversification.

■ **Estimates fine-tuned upwards:** we are again raising our estimates slightly, reflecting a stronger-than-expected organic performance in the Hydraulics division, which we expect to accelerate further in 4Q, effectively bringing 2025 group organic growth to 0% vs. -1% previously. At this stage we are basically confirming our expectations for the 2026 growth rate, assuming Hydraulics will return to mid-single-digit growth, but with Water Jetting growing at a low single-digit rate due to a much tougher comparison base.

■ **OUTPERFORM; target €50.0:** we confirm our positive recommendation on the stock, raising our target price from €49.0 to €50.0 to reflect the updated estimates. 3Q results gave further proof of the solid earnings momentum that started to materialise from 2Q, and this is the pillar on which our investment case rests. Furthermore, as financial leverage continues to come down, there is an increasing likelihood of an acceleration in M&A activity.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	2,240	2,078	2,081	2,198	2,300
EBITDA Adj (Eu mn)	537	457	474	508	539
Net Profit Adj (Eu mn)	274	227	225	254	283
EPS New Adj (Eu)	2.519	2.085	2.066	2.330	2.596
EPS Old Adj (Eu)	2.519	2.085	2.053	2.312	2.570
DPS (Eu)	0.320	0.340	0.340	0.360	0.380
EV/EBITDA Adj	10.5	11.0	10.4	9.3	8.4
EV/EBIT Adj	13.2	14.8	14.2	12.4	11.0
P/E Adj	17.0	20.6	20.7	18.4	16.5
Div. Yield	0.7%	0.8%	0.8%	0.8%	0.9%
Net Debt/EBITDA Adj	1.1	1.0	0.7	0.3	-0.1

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEIMIB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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As at 17 November 2025 Intermonte's Research Department covered 131 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.06%
OUTPERFORM:	37.40%
NEUTRAL:	29.78%
UNDERPERFORM:	00.76%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (77 in total) is as follows:

BUY:	50.65%
OUTPERFORM:	29.87%
NEUTRAL:	18.18%
UNDERPERFORM:	01.30%
SELL:	00.00%

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