

INTERPUMP

Sector: Industrials

NEUTRAL

Price: Eu45.44 - Target: Eu43.00

No Change in Pace Expected in 4Q

 Carlo Maritano +39-02-77115.358
 carlo.maritano@intermonte.it

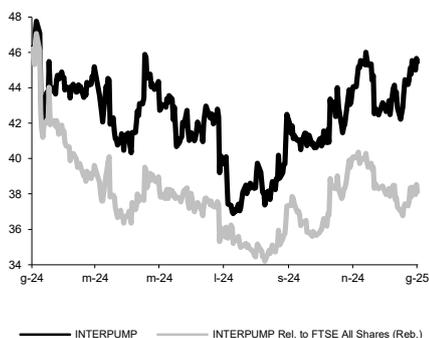
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2024E	2025E	2026E
Chg in Adj EPS	0.6%	-1.4%	-1.4%

Next Event

4Q24 Results Out: Feb-14

INTERPUMP - 12M Performance



Stock Data

Reuters code:	ITPG.MI		
Bloomberg code:	IP IM		
Performance	1M	3M	12M
Absolute	5.3%	10.5%	-1.6%
Relative	-0.9%	6.3%	-20.7%
12M (H/L)	47.76/36.88		
3M Average Volume (th):	204.15		

Shareholder Data

No. of Ord shares (mn):	109
Total no. of shares (mn):	109
Mkt Cap Ord (Eu mn):	4,947
Total Mkt Cap (Eu mn):	4,947
Mkt Float - Ord (Eu mn):	3,721
Mkt Float (in %):	75.2%
Main Shareholder:	
IPG Holding	24.8%

Balance Sheet Data

Book Value (Eu mn):	2,198
BVPS (Eu):	20.27
P/BV:	2.2
Net Financial Position (Eu mn):	-285
Enterprise Value (Eu mn):	5,161

■ **No change in pace expected in 4Q.** Despite a comparison base that is becoming ever less challenging, we expect 4Q trends to be pretty similar to previous quarters, with a continuation of the weakness at the Hydraulic business (organic expected at -14.0%, still burdened by Agri and Construction above all), while Water Jetting should book another quarter of satisfactory results, with organic growth expected at c.7%, above all thanks to the sale of complete systems. Overall, we therefore expect turnover to reach Eu495mn, down 4.8% YoY (-7.7% organic), taking the total for the year to Eu2,083mn, down 9% organically, thus at the lower end of the guidance provided by the company (turnover expected down high single digit in organic terms). Regarding profitability, we expect slightly lower margins at both divisions (lower volumes at Hydraulic, less favourable mix at Water Jetting), that should take the Group margin to 21.4%, broadly aligned with last year, when the sudden drop in volumes registered in the last month made it impossible for the company to introduce mitigating measures to support margins. As measures are now in place, we do not expect a further significant decrease despite the continuing weakness at Hydraulics. Based on our estimates, EBITDA should thus come to Eu106mn, taking the total for the year to Eu470mn, a margin of 22.5%, thus at the lower end of the 22.5%-23% range guided by management last November.

■ **Cash generation expected to remain the bright spot.** Better messages are expected on cash generation thanks to FCF that we expect to be robust again thanks to the normalization of CapEx and NWC, as already seen, especially starting from 3Q. We expect an improvement of net debt by about Eu22mn QoQ to Eu465mn (Eu419mn excluding put options), thanks to FCF of Eu79mn, only partly offset by outlay of ca. Eu8.7mn for the buyback and for the acquisition of Hidrover (EV c. Eu27mn).

■ **Estimates slightly trimmed.** In light of our 4Q expectations, we make only minimal changes to our 2024 estimates, slightly reducing expectations for top line and margins, while for debt we add the buyback carried out during 4Q. For the following years, we reduce our estimates to take account of a lower starting base, confirming the expectation of a partial recovery for 2025 (we expect 3% organic growth), which should be skewed towards the second part of the year. We expect that outlook to be provided for 2025 may incorporate some elements of caution, and that it may lead to substantial confirmation of our estimates, currently slightly below consensus.

■ **NEUTRAL confirmed; target Eu43.0.** We keep our Neutral stance on the stock as we believe a turning point in earnings momentum has yet to materialise, and downside risk prevails in the short-term. M&A in the short term remains the main upside risk to our recommendation as the low financial leverage enables the company to pursue any opportunistic deal that may arise on the market. At our target, unchanged at Eu43.0, the company would trade at 19x 2025 P/E, in line with the P/E NTM 10-year historical average.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	2,078	2,240	2,083	2,180	2,267
EBITDA Adj (Eu mn)	492	537	470	502	528
Net Profit Adj (Eu mn)	270	274	229	248	271
EPS New Adj (Eu)	2.478	2.519	2.100	2.274	2.493
EPS Old Adj (Eu)	2.478	2.519	2.088	2.307	2.527
DPS (Eu)	0.300	0.320	0.340	0.340	0.360
EV/EBITDA Adj	10.4	10.6	10.7	10.3	9.4
EV/EBIT Adj	13.3	13.2	14.2	13.5	12.2
P/E Adj	18.3	18.0	21.6	20.0	18.2
Div. Yield	0.7%	0.7%	0.7%	0.7%	0.8%
Net Debt/EBITDA Adj	1.2	1.1	1.0	0.6	0.2

DISCLAIMER (for more details go to [DISCLAIMER](#))

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL INFORMATION. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the [PERFORMANCE](#) web page.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certifies that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Ave, Suite 1702, NY 10022, USA.

GUIDE TO FUNDAMENTAL RESEARCH

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 of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIDEX 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.

Explanation of our ratings system:

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

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 December 2024 Intermonte's Research Department covered 132 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	31.34 %
OUTPERFORM:	43.28 %
NEUTRAL:	25.38 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (71 in total) is as follows:

BUY:	50.70 %
OUTPERFORM:	29.58 %
NEUTRAL:	19.72 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

Intermonte is acting as financial advisor to Retex S.p.A. – Società Benefit in relation to the voluntary public tender offer launched on Alkemy S.p.A.

Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aquafil, Banca Ifis, Civitanavi Systems, Cy4Gate, Esprinet, GPI, Eagle (on Greenthesis shares), Growens, Maire Tecnimont, SAES Getters, Tinexta, Unidata and WIT.

Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.

Intermonte SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following companies: Abitare In, Alkemy, Anima Holding, Antares Vision, Aquafil, Avio, Banca Ifis, Banca Sistema, Civitanavi Systems, Cyberoo, Cy4gate, DHH, El.En, Elica, Emak, Esprinet, Fimit - Fondo Alpha, Fine Foods, Franchi Umberto Marmi, GPI, Greenthesis (formerly Amblientthesis), IEG, IndelB, Intred, Luve, Misitano & Stracuzzi, Mondadori, Notorious Pictures, Omer, Pharamnutra, Relatech, Reply, Revo Insurance, Reway, Saes Getters, Sciuiker Frames, Servizi Italia, Sesa, Seri Industrial, Somec, Star7, Sy5-Dat Group, Talea, Tamburi, Tinexta, Tesmec, The Italian Sea Group, TXT, Unidata, Webuild and WIT.

Intermonte SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following company: Banca Sistema.

Intermonte SIM performs as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Fineco, FCA, FTMIB, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prysmian, Poste, Ferrari, Saipem, Snam, STM, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

Intermonte SIM, through Websim, which constitute the digital division of Intermonte, acts as a Financial Content Provider and/or Specialist and/or Corporate Broker on the following companies: Abitare In, Alkemy, Allcore, Almawave, Banca Sistema, Bifire S.P.A., B&C Speakers, Casta Diva Group, Cleanbnb, Coffe, Crowdfundme, Cube Labs, Cy4gate, Cyberoo, DHH, Digital Bros, Digital Magics, Digitouch, Doxee, Edilziacrobatica Spa, Eles, Elica, Emak, Energy, Esi, Esprinet, Eviso, Fae Technology, Fiera Milano, Fope, FOS, Franchi Umberto Marmi, Giglio Group, GM Leather, GPI, Green Oleo, High Quality Food, Ikonisys, Intercos, Intred, ISCC Fintech, Lemon Sistemi, Lventure Group, Maps Group, Mare Group, Masi Agricola, Matica Fintec, Misitano & Stracuzzi, Neodecortech, Notorious Pictures, Olidata, Osai Automation System, Racing Force Group, Redfish Long Term Capital, Relatech, Reti, Sciuiker Frames, SG Company, Solid World Group, Spindox Digital Soul, Talea, Tamburi, Tesmec, Tinexta, TMP Group, Tps Group, Trendevice, Ulisse Biomed, Xenia Hôtellerie Solution Spa Società Benefit, Wit, Zest.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short
-----------	---	------------

© Copyright 2025 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website [MIFID](#)

Further information is available