

# INTERPUMP

Sector: Industrials

# OUTPERFORM

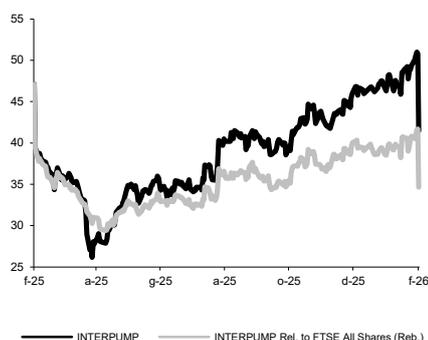
Price: Eu41.50 - Target: Eu48.00

## Recovery Delayed, Not Derailed

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 50.00 to 48.00		
	2026E	2027E	2028E
Chg in Adj EPS	-8.3%	-7.9%	

### INTERPUMP - 12M Performance



Stock Data			
Reuters code:	ITPG.MI		
Bloomberg code:	IP IM		
Performance	1M	3M	12M
Absolute	-10.4%	-4.4%	-11.9%
Relative	-10.0%	-6.0%	-31.7%
12M (H/L)	51.00/26.18		
3M Average Volume (th):	303.10		

Shareholder Data	
No. of Ord shares (mn):	109
Total no. of shares (mn):	109
Mkt Cap Ord (Eu mn):	4,518
Total Mkt Cap (Eu mn):	4,518
Mkt Float - Ord (Eu mn):	3,398
Mkt Float (in %):	75.2%
Main Shareholder:	
IPG Holding	24.8%

Balance Sheet Data	
Book Value (Eu mn):	2,294
BVPS (Eu):	21.18
P/BV:	2.0
Net Financial Position (Eu mn):	-163
Enterprise Value (Eu mn):	4,599

4Q results and 2026 guidance were clearly disappointing, highlighting that the recovery, though underway, is slower than initially expected, driven by erratic trends in the cyclical markets where the company operates, only partially offset by sector diversification. At the same time, results once again demonstrated strong cash generation, with leverage falling to 0.8x, the lowest level in the past 20 years, creating room to accelerate acquisitions and potentially enhance shareholder returns (with buybacks favoured over dividends). In our view, the magnitude of the share price reaction has gone well beyond the earnings revisions and, in the absence of structural concerns, reopens an attractive entry point that was no longer available at recent highs. Target price reduced to €48.0 to account for lower estimates.

- Hydraulics recovery evident, but slower than expected:** although directionally 4Q results were in line with our expectations for the Hydraulic division (sequential improvement in organic trends and margin improvement vs. last year), the magnitude of the recovery was weaker than anticipated. This resulted in divisional revenues/EBITDA coming in 2%/15% below expectations. There do not appear to be any extraordinary items explaining why Hydraulics delivered essentially the same margin as last year (once inventory write-downs are excluded). Rather, this seems primarily attributable to still-low capacity utilisation in certain applications such as lifting, while Agri and Construction continue to confirm the encouraging signals that began to emerge in previous quarters. On a more positive note, the company did not disappoint on cash generation and confirmed its strong momentum, delivering €58mn of FCF, in line with our estimates and up from €48mn last year, despite higher revenues inevitably leading to greater NWC absorption.
- Prudent outlook reflects market volatility:** Friday's sharp stock reaction was largely driven by 2026 organic guidance, with management forecasting organic growth of -2% to +3%, below the c.+4% consensus. The downside reflects market volatility, especially in the US, which, despite 4Q improvement, has faced six negative quarters and ongoing geopolitical risks. Italy confirmed growth in 4Q, while Germany turned again negative, underscoring the need for caution. Hydraulics is expected to recover, whereas Water Jetting may decline due to a tough comparison base, although the recent order intake acceleration leaves scope for upside. Compared with the more optimistic messaging recently provided by competitors and other players across their end markets, we believe Interpump's tone incorporates a higher degree of prudence. In our view, this caution is partly influenced by the experience of the past years, when initial full-year guidance proved overly optimistic and had to be revised downwards.
- EBITDA estimates downgraded, but CapEx and NWC improvements support FCF:** in light of a lower starting point and incorporating management's commentary during the call, we are reducing our 2026/27 EBITDA estimates by around 6%, while keeping our FCF forecast largely unchanged, reflecting expected improvements in CapEx and NWC absorption. Our organic growth forecast of 1.6% for 2026 sits above the mid-point of management's guidance (0.5%) and reflects expected growth of 4.5% in Hydraulics and a decline of -4% in Water Jetting.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	2,078	2,071	2,124	2,224	2,328
EBITDA Adj (Eu mn)	457	462	477	506	537
Net Profit Adj (Eu mn)	227	208	233	260	289
EPS New Adj (Eu)	2.085	1.911	2.137	2.392	2.651
EPS Old Adj (Eu)	2.085	2.066	2.330	2.596	
DPS (Eu)	0.330	0.340	0.360	0.380	0.400
EV/EBITDA Adj	11.0	9.7	9.6	8.6	7.7
EV/EBIT Adj	14.8	13.3	13.2	11.6	10.2
P/E Adj	19.9	21.7	19.4	17.4	15.7
Div. Yield	0.8%	0.8%	0.9%	0.9%	1.0%
Net Debt/EBITDA Adj	1.0	0.8	0.3	-0.1	-0.5

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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 FTSEMIB40 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

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

As at 16 February 2026 Intermonte's Research Department covered 133 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.33%
OUTPERFORM:	37.59%
NEUTRAL:	29.33%
UNDERPERFORM:	00.75%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (72 in total) is as follows:

BUY:	54.17%
OUTPERFORM:	31.94%
NEUTRAL:	12.50%
UNDERPERFORM:	01.39%
SELL:	00.00%

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