



FULL-YEAR 2023 RESULTS PRESENTATION

April 2024

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Agenda

- ❑ **Company at a Glance**
- ❑ **Full-Year 2023 Results & Outlook**
- ❑ **Achievements**
- ❑ **Sustainability**
- ❑ **Market & Competitive Positioning**
- ❑ **Appendix**
 - **Business Overview**



Marzocchi Pompe at a glance: world leader in top-performing products

Company

Marzocchi Pompe is a **leading world player in the design, production and marketing of high-performance external gear pumps and motors**, which are used in sectors like: industrial (textile machines, machine tools, plastic injection machines, medical equipment, energy, etc.), mobile (agricultural machines, forklift trucks, etc.) and automotive (transmissions, power steering, attitude adjusters,..)

Key Success Factors

Marzocchi Pompe boasts a **wide range of products** well known for its **high performance and great reliability**, covering most of the market needs in terms of displacements and interfacing

A key feature is the **continuous investment in R&D** aimed at satisfying the customer demand for high performance products

The **production** of the historical brand «Marzocchi Pompe» is **entirely carried out in Italy**, in two locations **nearby Bologna**: Zola Predosa and Casalecchio di Reno, through an extremely verticalized process that allows to keep the product quality under control

Main Consolidated Financials

€/000	2020	2021	2022	2023
Net Sales	34.143	40.538	48.513	49.746
EBITDA	4.129	7.153	7.557	8.101
EBITDA Margin *	12,2%	16,4%	15,4%	16,4%
Net Income	229	1.591	1.962	3.006
Net Equity	18.444	19.796	21.400	22.932
Net Financial Debt **	9.252	7.838	7.848	5.335

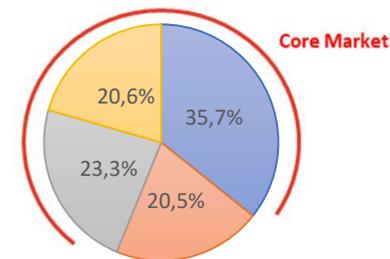
2023 KPI

- Over 1,0 mln pumps produced
- More than 800 active clients
- Employees at year end 275

* EBITDA margin is calculated on Sales Revenue+WIP, equal to € 50.521 in 2023

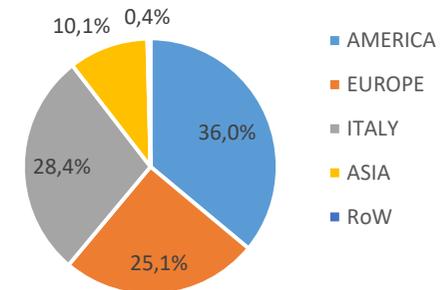
** 2023 NFP Adjusted: Net of € 3.0 €m of 3M and 6M term bank savings deposits

2023 Revenues by Business Line



■ Sales Network ■ Automotive ■ Industrial ■ Mobile

2023 Revenues by Geographic Area



■ AMERICA
■ EUROPE
■ ITALY
■ ASIA
■ RoW

Strategy

Marzocchi Pompe aims to continue to:

- **upgrade production facility** to expand capacity and improve efficiency → widening/rationalisation of Zola Predosa plant is underway
- **invest in R&D** to enlarge its product range, consolidating its leadership in the reference market → launch of Elika modular pump
- **increase penetration on Mobile and Industrial** applications such as the forklift trucks (mobile) and plastic injection machines (ind.)
- **develop innovative products for the Automotive market**, as witnessed by the important award from a leading world player

Shareholders & Management: full alignment of interest

TOP MANAGEMENT

Paolo MARZOCCHI

*Main Shareholder,
Executive Chairman*



Gabriele BONFIGLIOLI
CEO e General Manager



BOARD OF DIRECTORS

Paolo MARZOCCHI
Executive Chairman

Carlo MARZOCCHI TABACCHI
Deputy Chairman

Gabriele BONFIGLIOLI
CEO

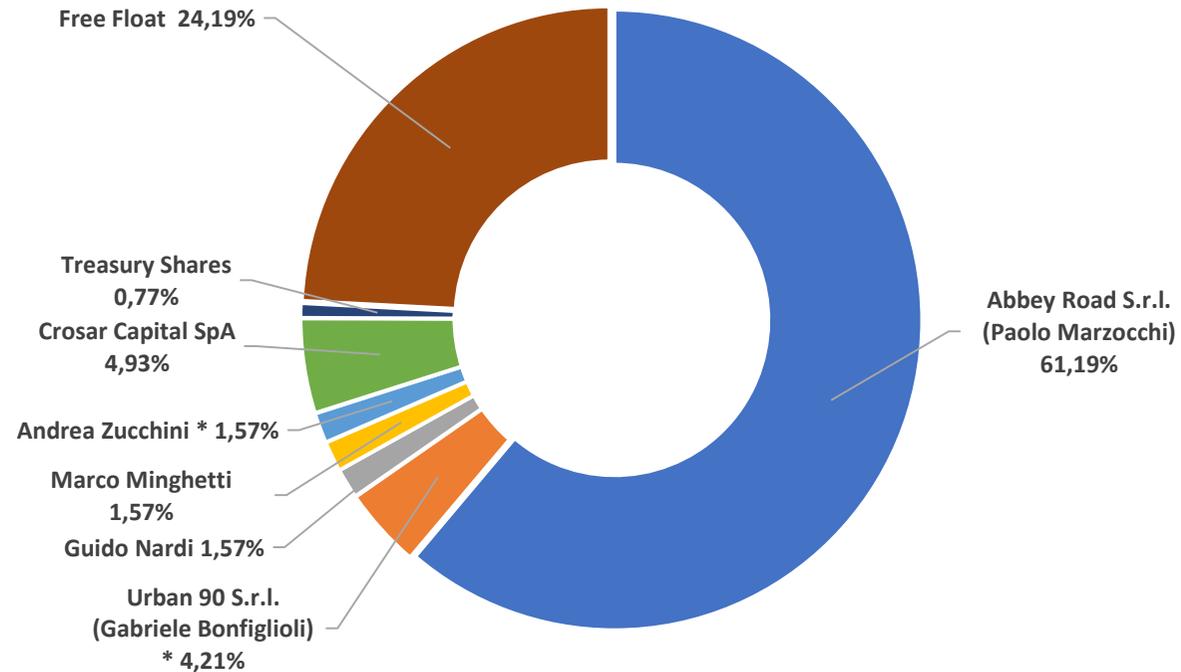
Guido NARDI
Board Member

Valentina CAMORANI SCARPA
Board Member

Matteo TAMBURINI
Board Member

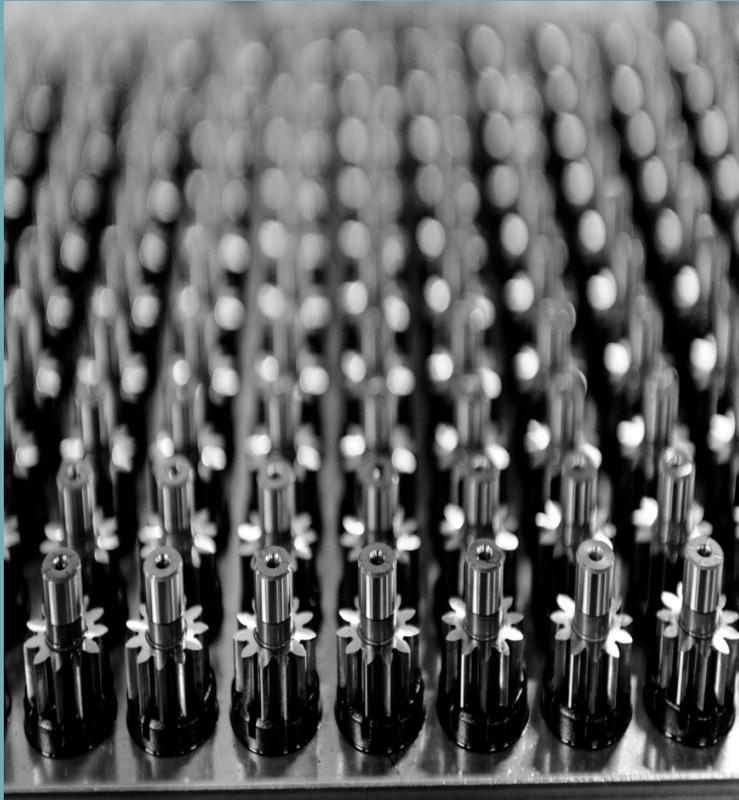
Giuseppe ZOTTOLI
Independent Board Member

SHAREHOLDERS



Note:

- Data as at 4 April 2024*
- In July 2023 Marzocchi Pompe Key Managers - Mr Bonfiglioli and Mr Zucchini - renewed the Stability Pact until June 2026 and 2025 respectively*



2023 Results

2023 Results: new records in sales & profitability

➤ NET SALES HIT € 49.7 MLN (+2.5%), BEST EVER RESULT FOR MARZOCCHI POMPE

THE CORE BUSINESS SALES REACHED THE RECORD LEVEL OF € 39.5 MLN IN 2023, +1.6% YOY THANKS TO MARZOCCHI POMPE WIDE PRODUCT RANGE AND CONSTANT INNOVATION. THE AUTOMOTIVE SALES WERE UP 6.3% YOY TO € 10.2 MLN, ALSO WITNESSING STRONG CUSTOMER RELATIONS IN A VERY CHALLENGING MARKET

➤ STRONG EBITDA MARGIN AT 16.4% (VS 15.4% IN 2022)

MARZOCCHI POMPE PROFITABILITY BENEFITED FROM EFFICIENCY GAINS LINKED TO THE DISTINCTIVE “MAKE” APPROACH AND RELENTLESS FOCUS ON PROCESS OPTIMIZATION, AND FROM LOWER ENERGY COSTS, MAINLY RELATED TO THE NEW PHOTOVOLTAIC SYSTEM IN ZOLA PREDOSA. OPERATING MARGIN WAS ALSO DRIVEN BY THE EASING OF TENSIONS IN PROCUREMENT THAT CHARACTERIZED THE PREVIOUS YEAR

➤ ADJUSTED NET FINANCIAL POSITION DOWN 32% AT € 5.3 MLN VS. END-2022 (€ 8.3 MLN)

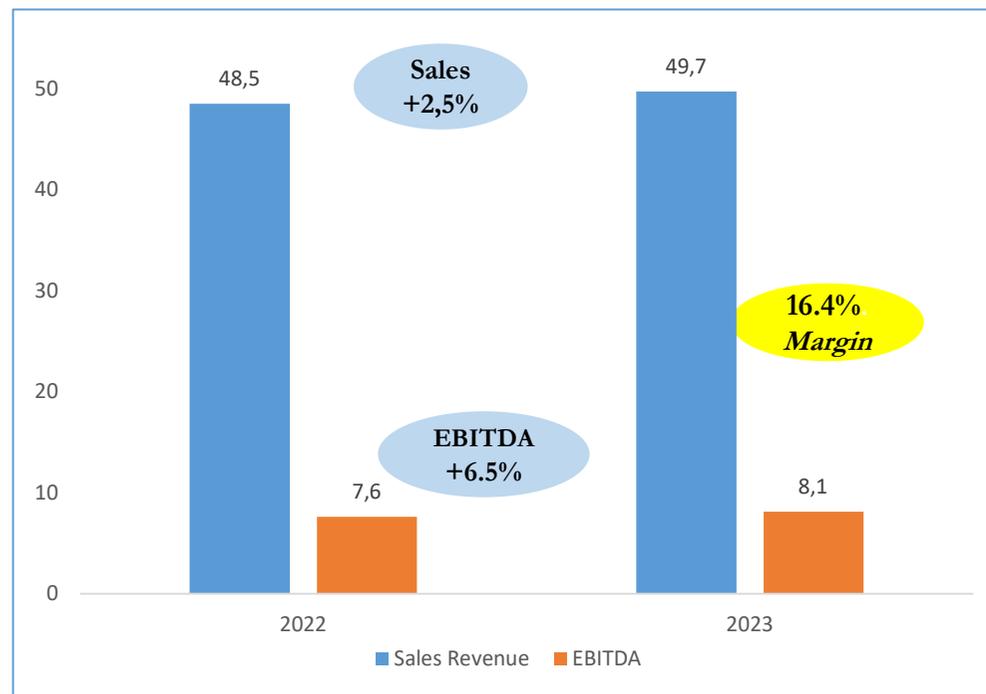
ADJUSTED NFP IS NET OF €3.0 MLN OF THREE- AND SIX-MONTH TERM BANK SAVINGS DEPOSITS SET UP BY THE PARENT COMPANY IN THE LAST QUARTER OF THE YEAR AND RECLASSIFIED UNDER OTHER RECEIVABLES IN CURRENT ASSETS. MARZOCCHI POMPE GROWTH DURING 2023 DID NOT NEGATIVELY IMPACT THE COMPANY'S FINANCIAL DEBT THANKS TO TRADITIONALLY TIGHT CONTROL ON CASH MANAGEMENT AND CUSTOMER PAYMENT TERMS

➤ MARZOCCHI POMPE IS WELL POSITIONED IN A CHALLENGING MARKET THANKS TO ITS KEY STRENGTHS

- CONSTANT PRODUCT INNOVATION AS WITNESSED BY THE RECENTLY LAUNCHED “ELIKA MODULAR” THAT FURTHER PUSH CUSTOMIZATION
- OPERATING FLEXIBILITY AND RELENTLESS SEARCH FOR COST CONTAINMENT, I.E. THE UNIFICATION OF PRODUCTION FACILITIES IN ZOLA PREDOSA
- THE SLIGHT DROP IN ORDERS IN 1Q 2024 (DUE TO INDUSTRY SLOWDOWN) WAS PROMPTLY ADDRESSED BY TEMPORARILY REDUNDANCY FUND (“CIG”)

All-time high revenues at € 49.7 mln, EBITDA margin jumped to 16.4%

Sales Revenue and EBITDA (€m)



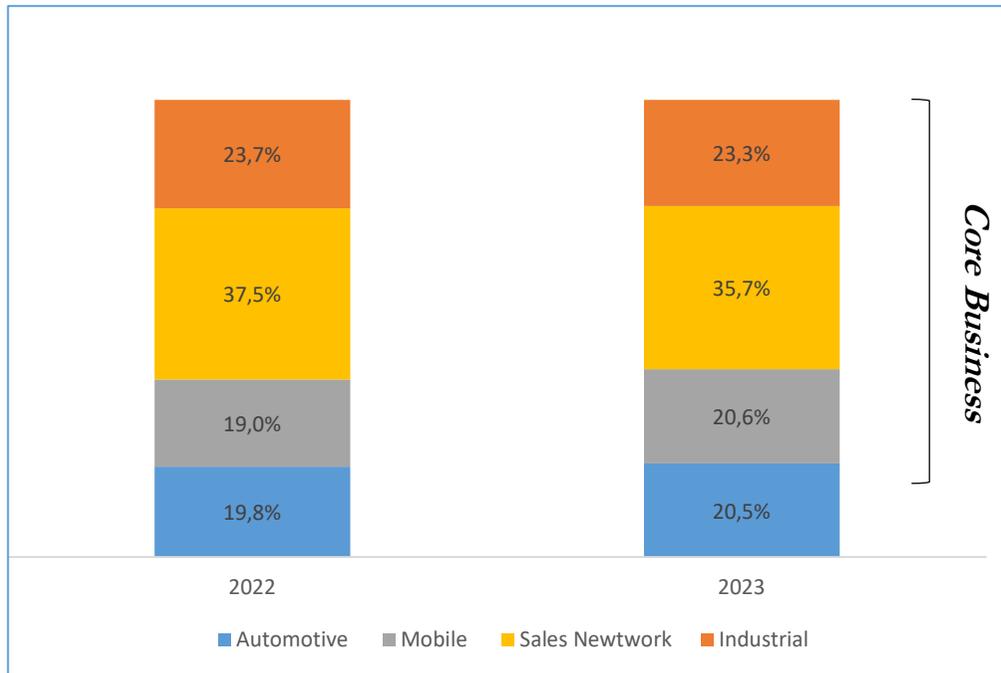
* EBITDA Margin calculated on Sales Revenue + WIP

Source: consolidated financial statements

- Revenues reached € 49.7 million in 2023 (+2.5%), marking once again **Marzocchi Pompe all-time high**. This achievement is particularly notable considering that it was reached in a **less brighter market than last year**
- **Core Business** sales were € 39.5 million (+1.6%), while **Automotive** sales posted a good 6.3% rise to € 10.2 million in a very challenging market scenario
- **EBITDA grew 6.5% to € 8.1 million** (vs. € 7.6 million in 2022), thanks to Marzocchi capability to increase operating efficiency combined with a reduction in energy costs and eased tensions in procurement vs. previous year
- **EBITDA margin topped 16.4%** (from 15.4% in 2022), an excellent level witnessing Marzocchi Pompe competitiveness in a challenging market

Core Business at nearly 80% of revenues

Revenue Breakdown



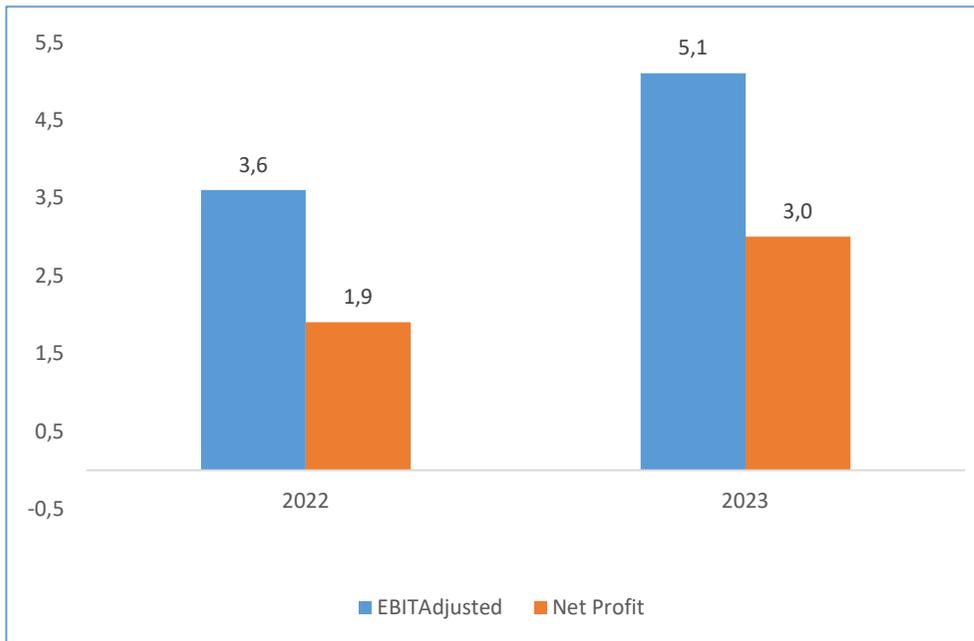
- Revenues by **Core market segments** (Sales Network, Industrial and Mobile) accounted for **79.5% of Total Revenues**, reaching € 39.5 million (+1.6% vs. 2022), driven by Marzocchi Pompe distinctive capability to serve clients with **high-performing customized products**

- Weight of **Automotive sales (+6.3% YoY)** increased slightly to **20.5%** vs. 19.8% in 2022, witnessing Marzocchi excellent performance in a very competitive market

Source: consolidated financial statements

Excellent Profitability growth: EBIT +64% and Net Profit +53%

EBIT Adjusted and Net Profit (€m)



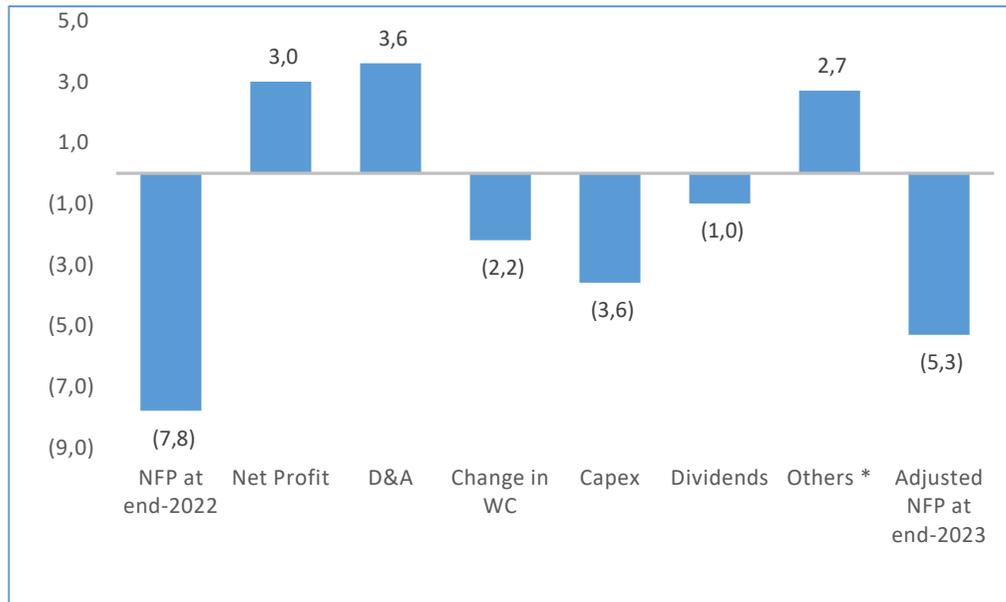
* EBIT Adjusted is Net of depreciation from revaluation resulting from the merger from LBO

- EBIT increased by 64% to € 4.5 million, from € 2.7 million in 2022, mainly thanks to improvement in operating efficiency
- **Adjusted EBIT**, calculated net of revaluation depreciation and amortisation resulting from the merger from LBO, amounting to € 0.6 million in the financial year, **jumped to € 5.1 million** from € 3.6 million in 2022
- In 2023 **Net Profit** jumped to **€ 3.0 million**, posting a +53% growth vs. 1.9 million in 2022. This excellent performance once again witnesses **Marzocchi Pompe capability generate earnings in challenging markets**

Source: consolidated financial statements

Net Financial Position reflects Marzocchi financial solidity

Net Financial Position Evolution (€m)



* Others include € 3.0million of three- and six-month term bank savings deposits

- **Net Financial Position** remained increased to **€ 8.3 million** at end-2023 vs. € 7.8 million at end-2022
- More important **Adjusted NFP (€ 5.3 million)** was **down 32% YoY**, taking into consideration **€ 3.0 million** of three- and six-month term bank **savings deposits** set up by the Parent Company in 4Q-2023 and reclassified under other receivables in current assets
- The **7% increase in Shareholders' Equity** in 2023, to € 22.9 million, was due to the significant improvement in net profitability

Source: consolidated financial statements



Achievements

New ELIKA “Modular” upgrades Marzocchi top-performing pump

- IN 2019 THE NEW ELIKA DEPARTMENT WAS COMPLETED THROUGH AN INVESTMENT OF MORE THAN 1 MILLION €S IN THE PRODUCTION SITE OF CASALECCHIO (BO)
- COVERED BY TWO PATENTS, ELIKA IS MARZOCCHI POMPE FLAGSHIP PRODUCT CHARACTERIZED BY LOW NOISE & HIGH EFFICIENCY
- THE PLANNED RANGE EXTENSION WAS BOOSTED BY:
 1. THE NEW “ELIKA 1P” AND “ELIKA K1P” PUMPS, WHICH FURTHER IMPROVE PERFORMANCES IN 2H 2021
 2. THE NEW “FTP – FLUID TRANSMISSION PUMP”, WHICH OPENS UP NEW MARKETS AND THAT WAS PRESENTED IN MARCH 2021 AT THE “VTM” IN TURIN AND IN JUNE AT THE “IVT EXPO” IN KOLN
 3. IN AUGUST 2023 THE DEVELOPMENT OF THE ELIKA MODULAR PUMPS HAS BEEN COMPLETED, AND THEY CAN NOW BE SUPPLIED IN SEPARATE ELEMENTS, SO THAT THE CUSTOMER CAN INDEPENDENTLY COMPOSE A MULTIPLE ELIKA PUMP ACCORDING TO HIS SPECIFIC NEEDS

"We are very pleased to have completed this first and important piece of our business plan. In 2019 we have already invested over 1 million €s, in a recently renovated area of the historic headquarters of Casalecchio (BO), a new department focused on the production of the ELIKA pump in its various versions. We want to focus on this product, with higher margins than traditional ones, which we believe will be one of our main drivers of growth in the coming years. Also, in the second half of the year we will continue to invest about half a million €s, aimed at launching new products and increasing the efficiency and productivity of our production sites." declared Gabriele Bonfiglioli, CEO of Marzocchi Pompe.



New Warehouse in Zola Predosa to improve and widen logistic flows

ENLARGEMENT & RATIONALIZATION OF PRODUCTION CAPACITY AND LOGISTICS IN ZOLA PREDOSA PLANT

- IN OCTOBER 2022 MARZOCCHI POMPE PURCHASED AN INDUSTRIAL PROPERTY OF APPROX. 4,800 SQUARE METRES, OF WHICH APPROX. 1,800 COVERED, NEXT TO THE ZOLA PREDOSA PLANT FOR A TOTAL AMOUNT OF € 1.15 MILLION. THE NEW BUILDING ALLOWS MARZOCCHI TO INCREASE PRODUCTION CAPACITY AND IMPROVE OPERATIONAL EFFICIENCY
- IN JULY 2023 MARZOCCHI FINALIZED THE PURCHASE OF A SECOND PROPERTY OF ABOUT 3,100 SQUARE METRES, ADJACENT TO THE ZOLA PREDOSA PLANT, WHICH WILL ALLOW THE GROUP TO MOVE SOME SHIPPING WAREHOUSE ACTIVITIES CURRENTLY LOCATED IN THE CASALECCHIO DI RENO FACILITY IN ORDER TO OPTIMIZE LOGISTICS AND GAIN OPERATIONAL EFFICIENCY
- IN FEBRUARY 2024 MARZOCCHI ANNOUNCED THE PURCHASE OF A NEW 2,500 SQUARE METRES REAL ESTATE, OF WHICH 1,000 COVERED, ADJACENT TO THE ONE CURRENTLY IN USE IN ZOLA PREDOSA. THE NEW BUILDING REPRESENTS A FURTHER IMPORTANT STEP IN THE PLAN TO UNIFY THE TWO PRODUCTION PLANTS IN ZOLA PREDOSA WITH STRONG EFFICIENCY GAINS



"These are very important steps for Marzocchi Pompe, because they will allow us to optimize logistics and production as well as enlarging capacity and improving operational efficiency." declared Gabriele Bonfiglioli, CEO of Marzocchi Pompe.

New Plant with Photovoltaic Panels to combine ESG with cost savings

INSTALLATION OF PHOTOVOLTAIC PANELS ON THE ZOLA PREDOSA PLANT TO ENHANCE MARZOCCHI'S "GREEN" VOCATION AT THE SAME TIME REDUCING CONSISTENTLY ENERGY COSTS

- IN OCTOBER MARZOCCHI POMPE COMPLETED THE INSTALLATION OF PHOTOVOLTAIC SYSTEM OF 954 KWP IN THE NEW ZOLA PREDOSA PLANT
- THIS INVESTMENT FURTHER ENHANCES MARZOCCHI COMMITMENT TOWARDS SUSTAINABILITY
- IN FACT THE NEW PHOTOVOLTAIC SYSTEM WILL BE ABLE TO GUARANTEE CLEAN ENERGY EQUAL TO MORE THAN A THIRD OF MARZOCCHI'S TOTAL ANNUAL NEEDS, WITH CONSIDERABLE SAVINGS ON ENERGY COSTS
- IN TERMS OF LOWERING THE IMPACT ON THE ENVIRONMENT, MARZOCCHI WILL REDUCE THE EMISSION OF 506 KILOGRAMS/YEAR OF CO2 INTO THE ATMOSPHERE
- MARZOCCHI "GREEN" APPROACH IMPLIES THAT FURTHER EXPANSION OF PRODUCTION CAPACITY WILL ENTAIL INSTALLATION OF NEW PHOTOVOLTAIC PANELS



"The installation of a photovoltaic system will allow, already in the short term, important energy savings and significant emission reduction, in line with the Group's ESG objectives " declared Gabriele Bonfiglioli, CEO of Marzocchi Pompe.

Marzocchi Pompe was present to all major global trade fairs in 2023



- ✓ **IFPE ConExpo Las Vegas** – 13.03.2023
World Mobile Exhibition – South Hall, Booth 81745

- ✓ **Bauma ConExpo India** – 31.01.2023
Mobile Exhibition - Hall 10, Booth L102



- ✓ **Hannover Messe** – 17.04.2023
World Fluid Power Exhibition – Booth H5.F18



- ✓ **Dritev Baden Baden** – 05.07.2023
Automotive Symposium - Main Hall

- ✓ **Perumin Arequipa** – 25.09.2023
Mining Exhibition – Hall 5



- ✓ **PTC - Power Transmission & Control 2023** – 24.10.2023
World Industrial Exhibition – Hall E3, Booth C2-1

- ✓ **Agritechnica Hannover** – 12.11.2023
World Agriculture Exhibition – Hall 17, Booth E43



- ✓ **CTI Berlin** – 05.12.2023
Automotive Symposium - Booth E7

2023 Highlights & Outlook

- 2023 WAS A VERY GOOD YEAR FOR MARZOCCHI POMPE THAT REPORTED EXCELLENT RESULTS BOTH IN TERMS OF SALES AND PROFIT MARGINS, DESPITE A LESS BRIGHT MARKET VS. THE PREVIOUS YEAR ON A GLOBAL BASIS
- THE COMPANY SHOWED THE STRENGTH OF ITS BUSINESS MODEL AND ITS CAPABILITY TO COUPLE FLEXIBILITY WITH HIGH-TECH PRODUCT OFFER, TWO KEY FACTORS TO COMPETE SUCCESSFULLY IN AN EVER MORE CHALLENGING MARKET. MARZOCCHI POMPE CONFIRMS ITSELF AS A RELIABLE AND INNOVATIVE PARTNER FOR ITS CUSTOMERS, THEREFORE EXPANDING ITS MARKET SHARES
- MARZOCCHI POMPE IS ALSO INTENSIFYING ITS EFFORTS TO FURTHER IMPROVE OPERATIONAL EFFICIENCY, BOTH LOGISTICALLY AND INDUSTRIALLY, BY FINALIZING THE UNIFICATION OF ITS TWO PRODUCTION FACILITIES IN ZOLA PREDOSA. THIS OPTIMIZATION PROCESS WILL ALSO ALLOW TO FURTHER EXPAND PRODUCTION CAPACITY
- A COMMERCIAL BOOST WAS GIVEN BY MARZOCCHI POMPE PARTICIPATION TO MAIN GLOBAL TRADE FAIRS: BAUMA IN NEW DELHI, CONEXPO IN LAS VEGAS, HANNOVER MESSE, DRITEV IN BADEN BADEN, PERUMIN IN AREQUIPA, SHANGAI AND BERLIN
- THE LAUNCH OF THE NEW ELIKA MODULAR PUMPS - WHICH CAN BE SUPPLIED IN SEPARATE ELEMENTS, SO THAT THE CUSTOMER CAN AUTONOMOUSLY COMPOSE A MULTIPLE ELIKA PUMP ACCORDING TO HIS SPECIFIC NEEDS - WILL PUSH FORWARD CUSTOMIZATION OF MARZOCCHI POMPE PRODUCTS, AS IT IS ALREADY THE CASE WITH TRADITIONAL PUMPS
- IN THE FIRST MONTHS OF 2024 MARZOCCHI POMPE RECORDED A SLIGHT DROP IN ORDERS COMPARED TO THE SAME PERIOD OF 2023, DUE TO THE CURRENT RECESSIONARY PHASE OF THE INDUSTRIAL SECTOR. HOWEVER, THE COMPANY FINANCIAL STRENGTH ALLOWS MARZOCCHI POMPE TO PURSUE ITS INVESTMENT PROGRAMS TO FURTHER PUSH GROWTH ALSO THANKS TO THE DIVERSIFICATION OF THE MARKET SEGMENTS IN WHICH THE GROUP OPERATES



Sustainability

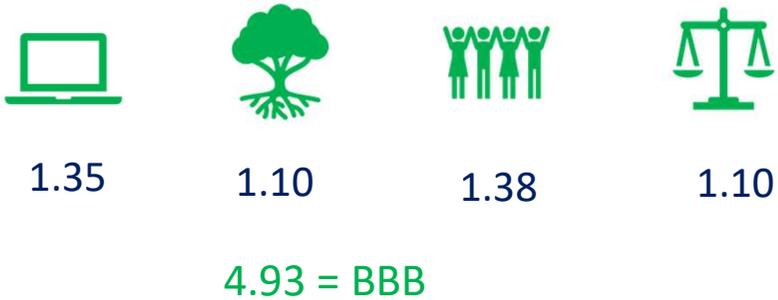
ESG Achievements confirm strong commitment towards Sustainability

- **Sustainability Report** – Marzocchi has started a process of analysis aimed at identifying methods and timing for this activity, in order to improve its footprint to enhance value creation

- **Marzocchi Certifications**



- **ESG Score by AcomeA**
SOCIETÀ DI GESTIONE DEL RISPARMIO



In January '24 →

Adoption of 231 Model & appointment of Supervisory Body

Environmental Policies

Ethic Code

New «Green» Projects in 2023

- **Treedom Forest** — In February Marzocchi launched the creation of the “*Marzocchi Pompe Forest*”, giving away the first 300 trees to its employees
 - This project will not only bring a contribution to carbon dioxide reabsorption but, being composed of fruit trees donated to the local community (in Africa, South America and Asia), it will also have a positive impact for the latter in social terms
 - The size of Marzocchi Forest will be expanded in the years to come
- **Photovoltaic panels for the recently bought Zola Predosa Plant** - This new facility aims at increasing Marzocchi production capacity at the same time improving its operational efficiency
 - The renovation work includes the installation of photovoltaic panels to supply “green energy” to Marzocchi production processes
 - The investment has an estimated payback of 3.5 years



A brand new Security Operation Center

- In March 2022 Marzocchi Pompe, in partnership with Yarix, finalized a C SOC + Cynet project
- Marzocchi's *Cognitive Security Information Center* C SOC will operate the:
 - H24x7x365 monitoring of company networks
 - Physical and Biometric Security of last generation
- *Cynet* tasks are:
 - Monitoring & Control
 - Attack Prevention & Detection
 - Response Orchestration





Market & Competitive Positioning

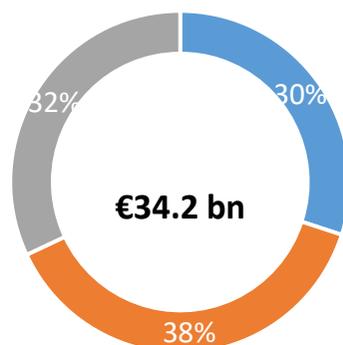
Fluid Power market and growth forecasts

The Fluid Power market is made up by the hydraulic segment and the pneumatic segment. In Asia, Europe and USA the Fluid Power *home*¹ market went from € 25.7 billion in 2000, to € 41.5 billion in 2020 and to 47.3 billion in 2021 of which € 34.2 billion (72%) stemming from the hydraulic sector, and € 13.1 billion (28%) from the pneumatic sector (Source: ISC² – 2021 – International Fluid Power Statistics – date of publication: 30 August 2022).

In Italy, the Fluid Power market in 2021 was estimated to be around € 2.5 billion, of which € 1.6 billion (64%) stemming from the hydraulic sector, and € 0,9 billion (36%) from the pneumatic sector. (Source: Assofluid – Il Fluid Power in Italia, Rapporto di settore 2021).

Below is given a geographic breakdown of the *home* hydraulic market, estimated by ISC, and the weighted growth forecast for the hydraulic end-use markets, published by Oxford Economics.

Hydraulic market – geographic breakdown



■ Europe (CETOP Area) ■ Asia (China, Japan, Taiwan) ■ USA

Source: CETOP³– ISC Statistics 2021

Note (1) The *Home Market* concept is used, as explained by CETOP on the report *European Fluid Power Directory 2017/2018*, for the market estimates in order to cover all of the fluid power market, and not exclusively that segment covered by companies which are part of the organization. For statistic's sake, the country where the product was built is irrelevant, while the country where the product was sold is considered.

Note (2): ISC - International Statistics Committee project has the objective of providing comparable information on Fluid Power markets in Europe, USA and Asia.

Note (3) CETOP - *European Fluid Power Committee* – is an organization of associations present in 17 European countries and representing more than 1.000 companies operating Fluid Power, representing 80 to 90% of the country's industry, most of the times.

Hydraulic end - use markets' forecasts

Weighted growth forecasts for key fluid power end use markets						
(Annual percentage changes unless specified)						
	2020	2021	2022	2023	2024	2025
Hydraulic end-use markets						
North America	-7.8	14.7	5.3	2.8	2.6	2.2
South America	-9.7	28.7	4.9	4.6	4.1	3.3
Europe	-13.8	13.5	6.1	2.3	1.2	1.1
Asia	-3.2	11.4	6.3	3.4	2.7	2.2
Middle East and Africa	-12.8	12.8	5.1	2.9	2.5	3.4
World	-5.8	14.8	5.4	2.9	2.4	2.0

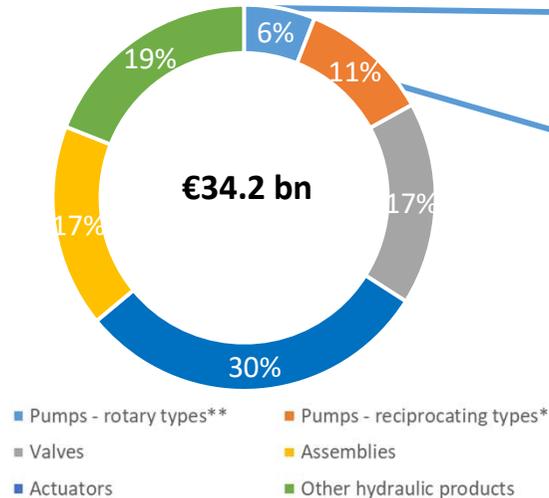
Notes: World and regional aggregates consist of the 21 countries included within the analysis

Source: Oxford Economics – National Fluid Power Association, Forecast of End-Use Markets- Winter 2021

Focus on hydraulic pumps' market

Within the Hydraulic *home*¹ market, the pumps' segment is estimated by ISC to be around 5.7 billion (17%) in 2021 (Vs € 4.9 billion in 2020), of which € 3.7 billion (11%) coming from the reciprocating pumps' segment (axial and radial piston pumps) and € 2 billion (6%) from the rotary pumps' segment (gear, vane, orbital, screw and other types of pumps). Focusing on the rotary pumps sector, in which MP operates, USA stands out as the main marketplace with around € 0.905 billion (44.5%) activity, followed by Asia, with € 0.737 billion (36.2%), and Europe with € 0.393 billion (19.3%).

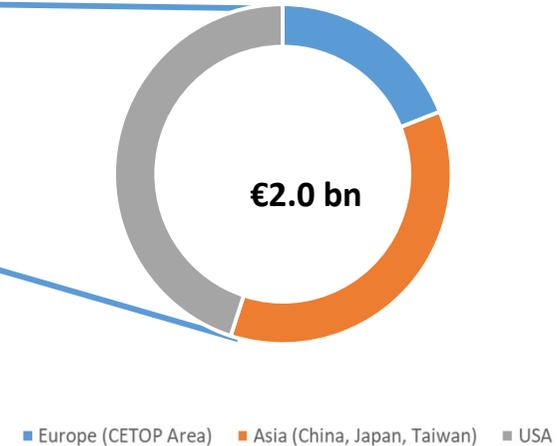
Hydraulic market - breakdown per product



* Reciprocating types: axial and radial piston; ** Rotary types: gear, vane, orbital, screw and other types

Source: CETOP³ – ISC Statistics 2021 – International Fluid Power Statistics

Rotary pumps' global market



Source: CETOP³ – ISC Statistics 2021 – International Fluid Power Statistics

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Note (3) CETOP - *European Fluid Power Committee* – is an organization of associations present in 17 European countries and representing more than 1.000 companies operating Fluid Power, representing 80 to 90% of the country's industry, most of the times.

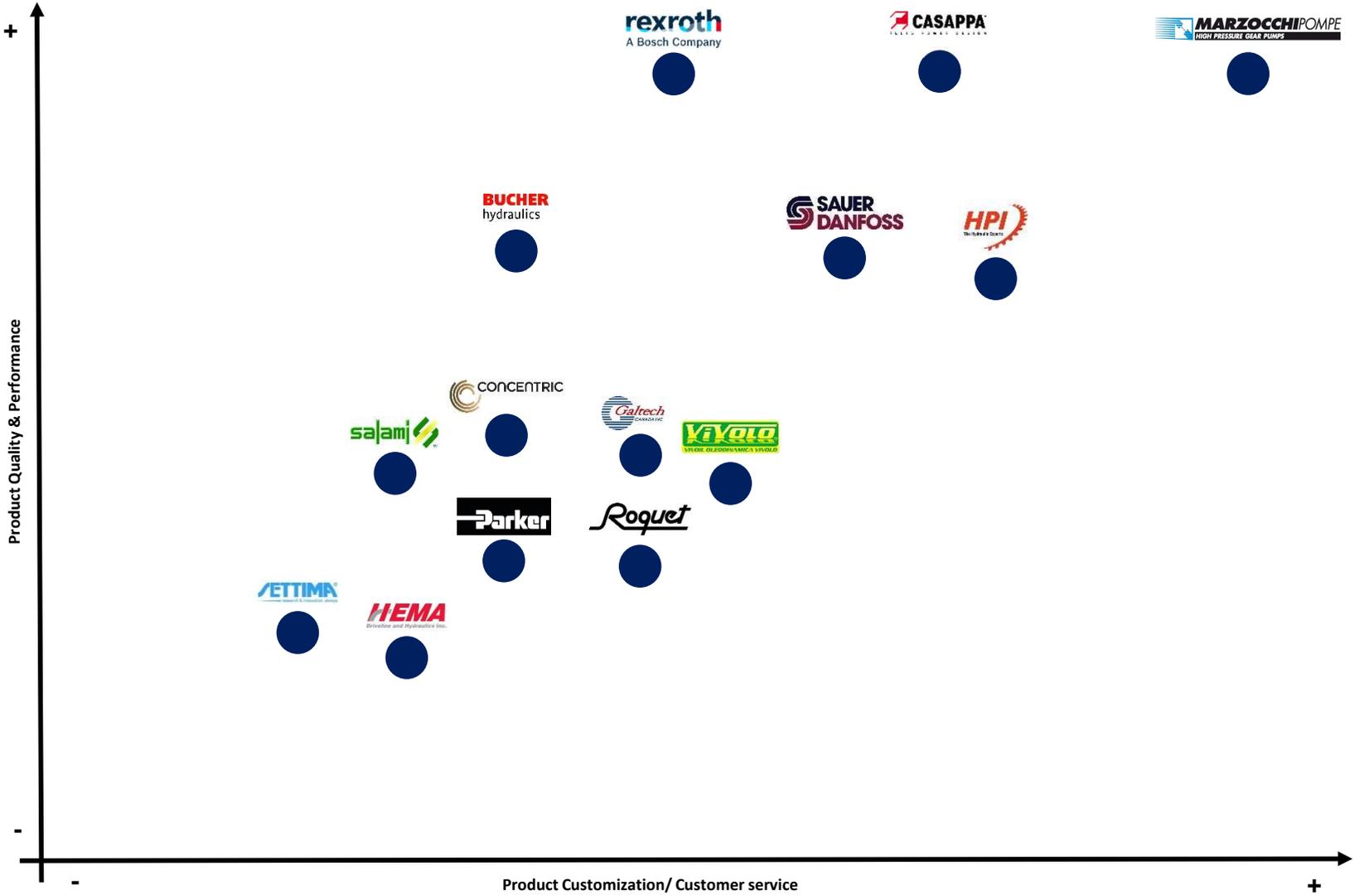
Competitive positioning

Characteristic Company	Quality & Performance	Customer service	Gear Pumps Range	Fluid Power Range	Customization	Competitiveness vs Price	Quality vs Price
Marzocchi Pompe	High	High	High	Medium - high	High	Medium	High
Bosch Rexroth	High	Medium - high	High	High	Medium - high	Medium	High
Bucher	Medium - high	Medium	Medium - high	Medium - high	Medium	Medium - high	Medium
Casappa	Medium - high	Medium - high	High	Medium - high	Medium - high	Medium - high	Medium - high
Concentric	Medium	Medium	Medium - high	Medium - high	Medium	Medium	Medium
Galtech/Interpump	Medium	Medium	Medium - high	Medium - high	Medium	Medium - high	Medium - high
Hema / DB	Medium - high	Medium - high	Medium	Medium	Medium	High	Medium - high
HPI / JTech	Medium - high	Medium - high	Medium - high	Medium - high	Medium	Medium	Medium
Parker	Medium	Medium	Medium - high	High	Medium - high	Medium - high	Medium
Roquet	Medium	Medium	Medium	Medium - high	Medium	Medium - high	Medium - high
Salami	Medium	Medium - high	Medium	Medium	Medium	Medium - high	Medium
Turolla/Sauer Danfoss	Medium - high	Medium - high	Medium - high	Medium - high	Medium	Medium - high	Medium - high
Settima	Medium - high	Medium - high	Medium - high	Medium - high	Medium - high	Medium - high	Medium
Vivoil	Medium	Medium	Medium - high	Medium - high	Medium	Medium	High

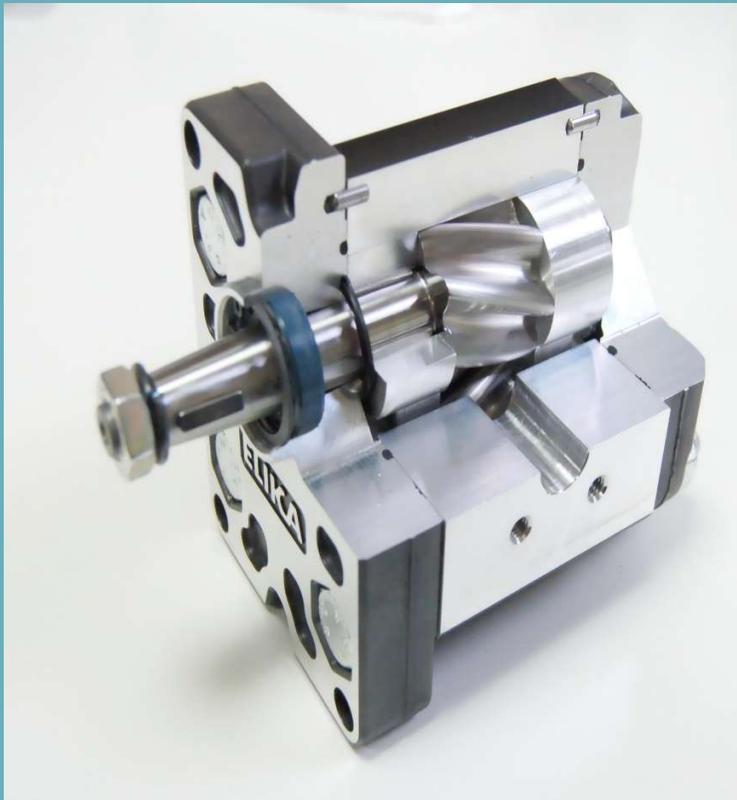
Source: Marzocchi Pompe SpA management estimates

Legend: High Medium - high Medium Low

Leadership in external gear pumps market



Source: Marzocchi Pompe SpA management estimates



Appendix

- **Business Overview**

MP core business: manufacturing of external gear pumps and motors

- The pumps have the function of transferring the fluid from a tank to an actuator within an oil-hydraulic circuit. (for example, a cylinder that drives the shovel of an excavator). This transfer from the suction circuit to the delivery circuit occurs through the rotation of the two toothed wheels (the so-called "gears") inserted in the pump body, which is realized through the coupling with an endothermic motor or an electric motor. The oil that is transferred is located between the teeth compartments of the gear wheels and the pump body. The pressure that is created in the flow circuit downstream of the pump is proportional to the load determined by use.
- MP produces external gear pumps with straight teeth with an involute profile and helical rotor pumps with a conjugate profile. Both are part of the group of pumps called "volumetric", to which vane pumps, internal gear pumps and screw pumps also belong. The piston pumps also belong to the same category, which differ from the previous ones for the alternative movement instead of the rotary one.
- The gear motor is the actuator that transforms the hydraulic energy supplied by the pump into mechanical energy, creating a rotary motion with a defined number of revolutions and supplying a certain torque to the shaft on which mechanical systems such as fans and pulleys are connected.

Range of external gear pumps and motors by MP



Automotive customization

Regarding the micro-hydraulics (displacements starting from 0.12 cc per revolution) the Company has created customizations specifically for the automotive sector based on the needs and requirements of its customers



Focus on Elika product

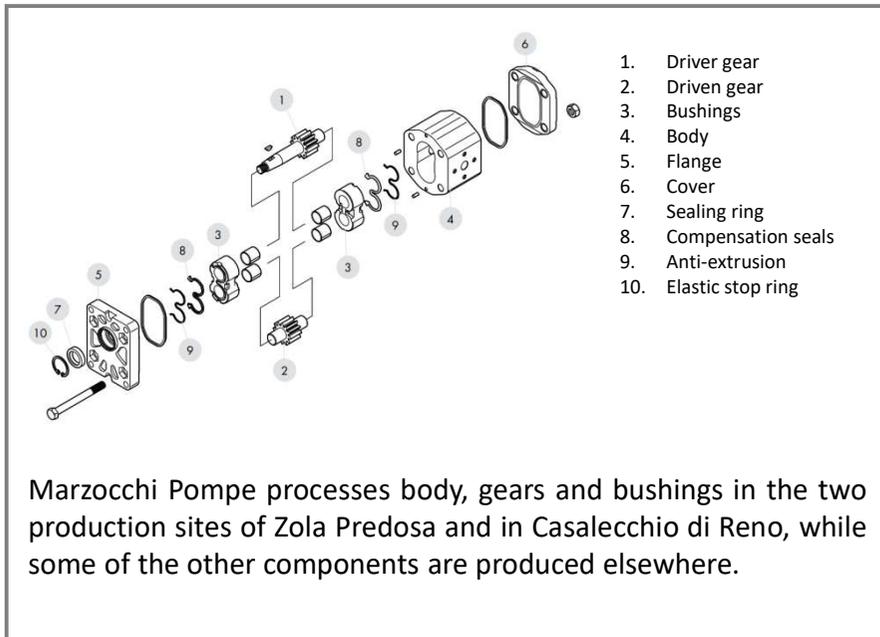
Elika is a helical toothed gear pump with a hydraulic system for balancing axial forces. It is a low noise and high efficiency product developed and patented by MP



Overview of pump composition and application examples

The pumps are composed of the following main parts: body, flange, cover and bushings in aluminium, and gears (driving and driven wheel) in steel. For some types of products, the flange and the cover can be made out of cast iron. Further components can also be integrated (for example valves), which vary depending on the type of product and customization requirements by the customer.

Basic pump components



Examples of application of MP products

Industrial

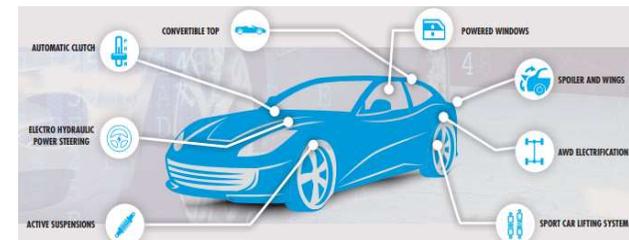


Mobile



In the mobile segment, the ELIKA product received the «Technical Reporting» award during the last Eima, one of the most important agricultural machinery fairs worldwide.

Automotive



Product applications



Medical equipment

Actuators for surgical tables, diagnostic equipment, latest-generation stretchers, dental chairs: in general, for small medical equipment, where reliability and silence are necessary.



Industrial

Fixed applications (eg presses, machine tools, etc.) that require hydraulic power units with high performance levels. This sector was among the first that the company positioned itself in.



Agricultural machinery

Even in agricultural machinery there is an important evolution in terms of hydraulic systems. Increasingly high performance and low noise levels are required.

MICRO-HYDRAULICS



Micro-hydraulics

MP is specialized in the production of very low displacement pumps, which require a high technological level to obtain high efficiency standards.



Machinery and equipment for *material handling*

Even for these type of machines, very often used inside production facilities, low noise levels are increasingly required in addition to high efficiency standard.



Marine

There are many pump applications in the nautical sector: movable bulkheads, thrusters, opening and closing valves, flap drives, boarding and disembarking ladders, piloting systems.



Gardening machines

In this type of application it is essential that oil-hydraulic pumps and motors guarantee the complete absence of contamination.



Construction machinery

Extreme flexibility in terms of interface versions (shafts, ports, flanges, etc.) and very high reliability are the features required by this market.



Means of transport

Brake systems for trams and city trains as well as for airport vehicles. In a world that makes mobility an irreplaceable necessity, products that guarantee the highest level of reliability and safety are in high demand.



Municipality

Municipality issues require a very wide range of products, all with maximum reliability.



Automotive

Even in electric cars, small displacements gear pumps are increasingly used in many applications such as: powertrain, power steering, attitude regulators (with PPM of defectiveness tending to zero).



New energy sources

In these applications, such as wind and solar, the compatibility with the environment is of fundamental importance.

Technological innovation and quality standards

The Group's business model is focused on the design, production and marketing of high-performance external gear pumps and motors. The Company manufactures almost all the main components within its own production sites and uses the historical brand “Marzocchi Pompe”, which is highly recognizable in the sector.

Automated and highly innovative production process

- Technologically advanced production process with a high degree of automation
- Strategic phases of the production process entirely managed in house
- Internal department dedicated to the design and production of equipment and machinery for the internal production needs
- Application of the concepts of lean production, with the aim of maximizing efficiency while minimizing stocks

Continuous product and process innovation

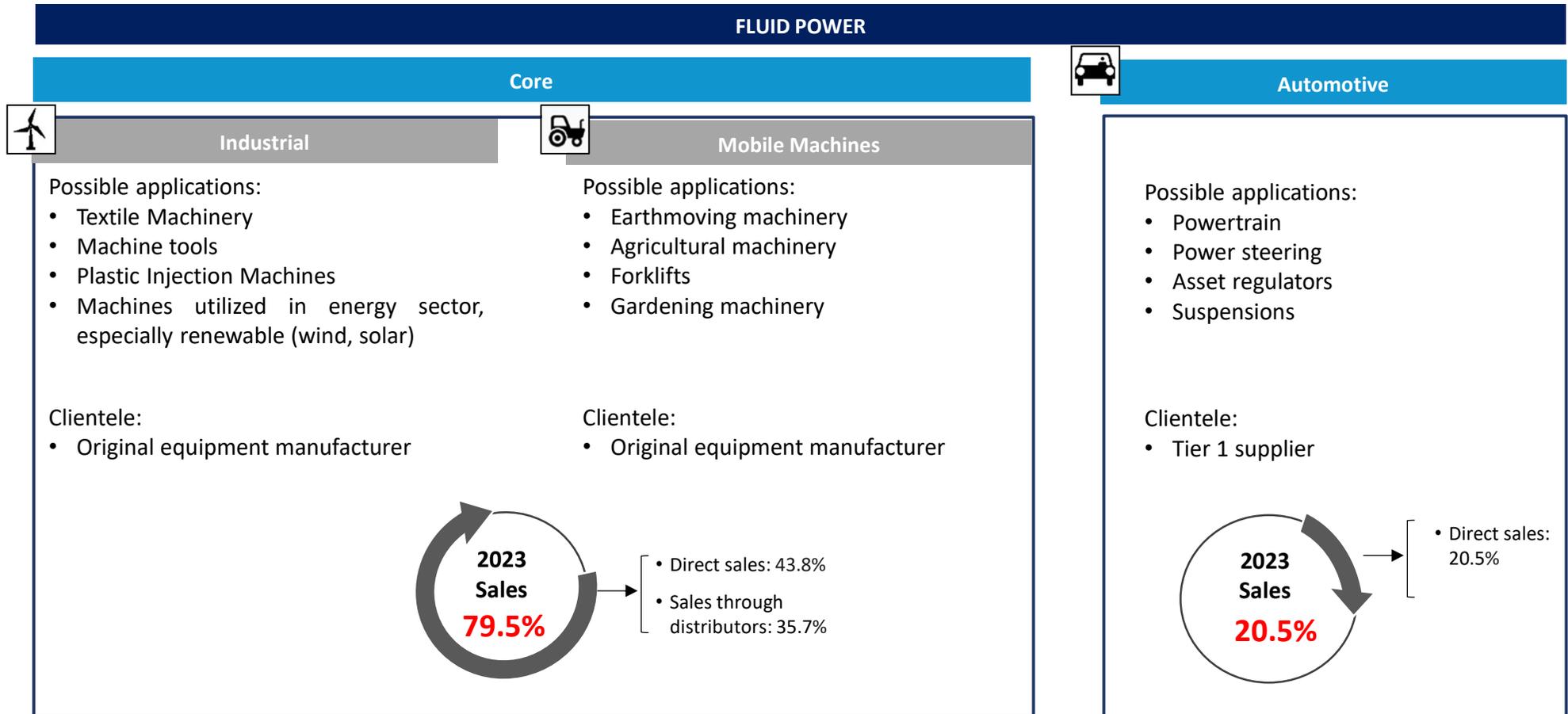
- Continuous product development to meet the increasing market requirements, in terms of silence and efficiency . In particular, the R&D activity has allowed Marzocchi Pompe to stand out for:
 - its wide range of products’ cubic capacities (from 0.12 cc to 200 cc)
 - the high performances of its products, with particular reference to the micro hydraulics field (displacements starting from 0.12 cc)
 - the patented ELIKA product, low noise pump, high efficiency even at low speed and flow rate regularity due to low pulsations

Focus on quality and excellence

- *Made in Italy* product
- High quality standards
- IATF 16949 (formerly ISO TS) certifications (required for the supply of Automotive customers) and ISO 14001 for the plant in Zola Predosa (BO), and ISO 9001 for the plant in Casalecchio di Reno
- 100% qualified product ensured by a test carried out on specifically designed test benches

Target markets

Core market revenues include Industrial and Mobile machines applications and represent 79.5% of total 2023 revenues, including sales to distributors/sales network, which alone contribute to 35.7% of MP's total sales^(*)



^(*) The industrial and mobile machines sectors are served by MP both directly, through direct sales, and indirectly, through a distributors' channel/external sales network; the share of sales registered from the sales network can't be attributed to either sector, industrial or mobile machines

Main client composition

- The company benefits from a diversified client base for the Industrial and Mobile machine sectors, having their top 3 clients making up only 9.7% of sales and the top 10 representing 19.6%. The Automotive sector, on the other hand, has fewer clients making up for most of its sales. In total, the company has more than 800 active clients
- The following table reports the weight on consolidated revenues of the top 3 and 10 clients for both sectors (Industrial & Mobile and Automotive, accounting for 80.2% and 19.8% of total sales, respectively) according to the financial year's consolidated data of Dec. 31st 2022

Overview weight % top clients¹

	Industrial & Mobile ²		Automotive	
	Revenues 2023	%	Revenues 2023	%
Top 3	4.41 mln	11.1%	10.21 mln	100,0%
Top 10	9.49 mln	24.0%	10.21 mln	100,0%
Total	39.55 mln	100.0%	10.21 mln	100,0%

Note (1): Consolidated data.

Note (2): Revenues from distributors included.

93% of automotive's revenues are made from sales to only one client, with whom MP subscribed, on October 2014, a multi-year contract expired on December 31st 2022 but **this contract has been renewed until 2034** and guarantees the supply of micro-pumps by MP, with the following clauses:

- Minimum order volume, with penalties for violation of amount
- Pre-established price, mainly based on volumes ordered
- Price-adjustment according to previously established mechanisms, based on current raw materials' prices

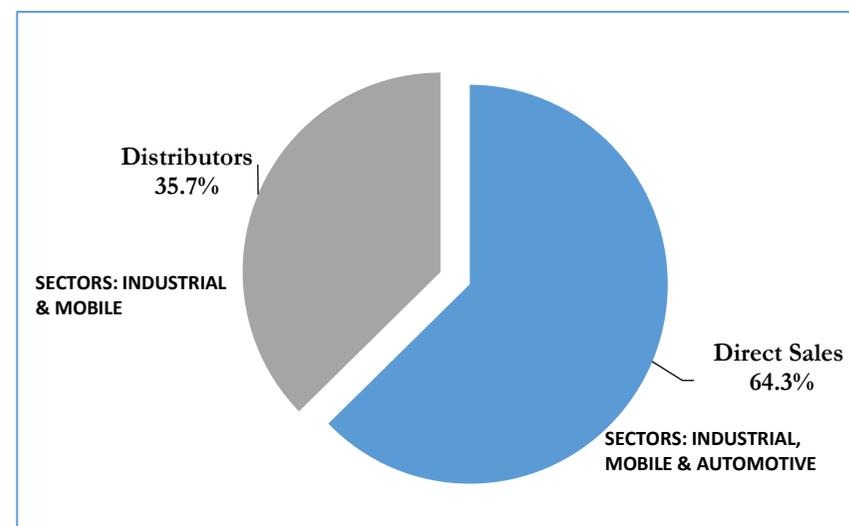
Global distribution network

Marzocchi Pompe relies on an international distribution network present in **over 50 countries**. Products are distributed through various channels, such as direct sales, distributors, sales¹, American branch operations and Chinese branch operations

Distribution network's highlights

- Direct sales and sales through distributors, covering the global market (excluding North America and Far East), are managed by a dedicated internal salesperson, namely the Area Manager. There are currently **5 Area Managers** operating:
 - 1 Area Manager for the **DACH and South American** Markets
 - 1 Area Manager for the **African, Oceanian and Middle East** Market
 - 1 Area Manager for the **Far East and Nordic** Markets
 - 1 Area Manager for the **Balkan and Mittel Europe** Markets
 - 1 Area Manager responsible for **the Italian market**, coordinating a network of 8 salesmen
- Direct influence on **U.S. and Far East** markets through the branches **Marzocchi USA** and **Marzocchi Symbridge**
- Renowned and large international network of **distributors and re-sellers**, selected based on their medium-high positioning, outstanding product quality, and high visibility of sold brands

2023 sales breakdown per selling channels*



*Consolidated data FY2022

Nota (1): the term "distributors" describes those subjects that purchase MP's products and then re-sell them, establishing a prolonged business relationship with the company

Investment highlights

Large target market experiencing growth

- The Hydraulic market is large, estimated to be around 10.3 billion in 2021 in Europe (Source: CETOP) and € 1.6 billion in 2021 in Italy (Source: Assofluid)
- Evidence of upward trend of Italian hydraulic market in the 2009-2018 period, with a 15.2% decrease in production from 2019 to 2020 due to the Covid-19 pandemic

Wide range of product applications

- Countless possibilities in terms of MP pump and motor applications, thanks to the Company's versatility and product personalization options

Business model geared towards innovation

- Production process relies on high-tech machinery and extensive use of automation
- Internalization of strategic production process, guaranteeing constant monitoring and high-quality standards
- Continuous product innovation, as it can be seen with ELIKA, one of MP's pumps covered by two patents, which stands out for its outstanding technological level that allows it to produce low noise emissions and low pulsations, but has high efficiency

High profitability and cash flow generation

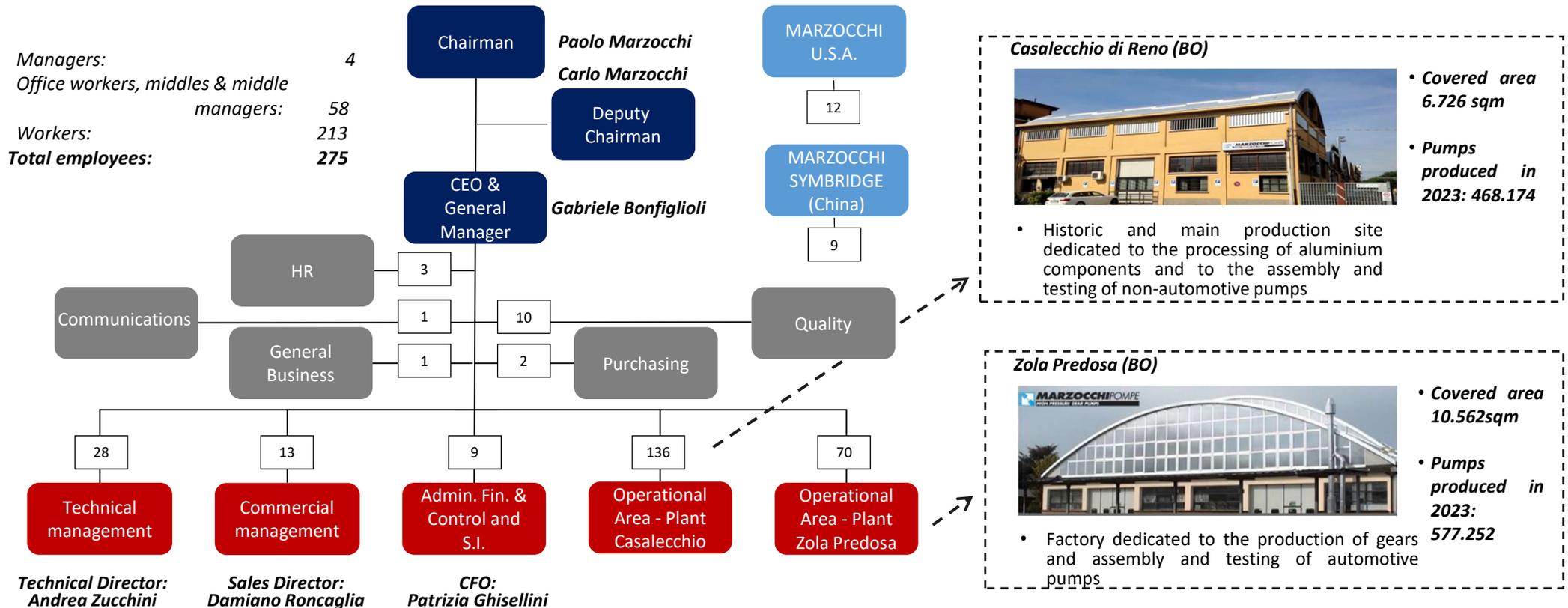
- EBITDA margin at 16.4% in 2023, significantly improved vs. 2022 (15.4%) and close to the 16.9% of the pre-Covid period 2016-2018
- High free cash flow (8.0M€ in 2023) allowing for further decrease in Net Debt with a comfortable NFP Adjusted/EBITDA of 0.66x

Esteemed execution capabilities

- Renowned production ability for customized products
- High standards on quality, reliability and product performance
- Highly responsive customer service, and competent assistance in pre- and post-order phases

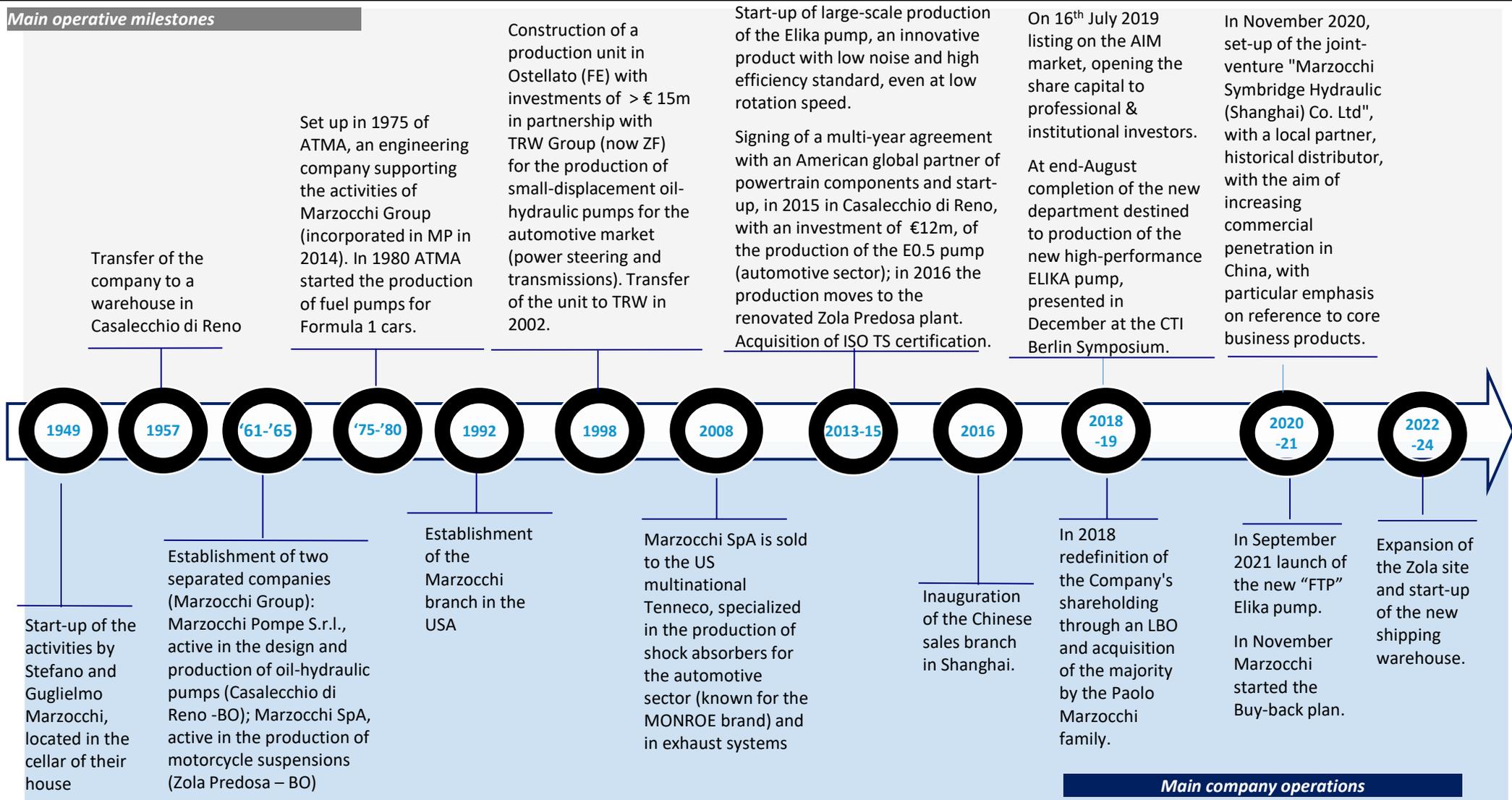
Organizational structure and production sites

- Marzocchi Pompe can count on a team of professionals with consolidated experience. As of the 1st of January 2024 the workforce consists of **275 resources** (of which 260 are permanent employees), with an heterogeneous background of professional skills that strengthens the efficiency of the work team. The resources operate in two production sites, directly owned by the company, located in Casalecchio di Reno (BO) and Zola Predosa (BO).
- To this date, MP can be defined as a true "pocket multinational", meeting the best standards of Made in Italy and excellence.



History

Main operative milestones



Consolidated Profit & Loss

<i>Eur 000</i>	31-Dec-23		31-Dec-22	
Sales Revenue	49,746	100%	48,513	100%
WIP changes	(367)		451	
Other revenue	1,142		1,211	
PRODUCTION VALUE	50,521		50,176	
Raw materials consumption	(12,325)	(25.0%)	(12,790)	(26.1%)
Service costs	(13,348)	(27.0%)	(13,785)	(28.2%)
Costs for use of third-party goods	(393)	(0.8%)	(382)	(0.8%)
Various operating costs	(509)	(1.0%)	(445)	(0.9%)
VALUE ADDED	23,946	48.50%	22,773	46.51%
Staff costs	(15,846)	(32.1%)	(15,216)	(31.1%)
EBITDA	8,101	16.41%	7,557	15.43%
Depreciation, amortizations & write-downs	(3,643)	(7.4%)	(4,843)	(9.9%)
OPERATING PROFIT (EBIT)	4,458	9.03%	2,714	5.54%
Financial income and charges	(811)	(1.6%)	(184)	(0.4%)
Financial value adjustments	69	0.14%	50	0.10%
EARNINGS BEFORE TAX	3,716	7.52%	2,580	5.27%
Income tax for the year	(710)	(1.4%)	(618)	(1.3%)
NET INCOME	3,006	6.09%	1,962	4.01%

(National accounting standards + IAS 17)

Consolidated Balance Sheet

<i>Eur 000</i>	31-Dec-23	31-Dec-22
A) NET FIXED ASSETS	16,837	17,512
Intangible fixed assets	852	1,065
Tangible fixed assets	15,156	14,907
Financial fixed assets	828	1,540
B) NET WORKING CAPITAL	15,725	13,518
Inventories	12,794	14,008
Advances from customers	(65)	(199)
Trade receivables	7,376	8,376
Other receivables	5,332	2,092
Trade payables	(5,791)	(6,671)
Other payables	(3,169)	(3,592)
Provisions for risks and charges	(1,014)	(1,454)
Other assets/liabilities	261	958
C) GROSS INVESTED CAPITAL	32,562	31,030
D) EMPLOYEE SEVERANCE PAY	(1,287)	(1,525)
E) NET INVESTED CAPITAL	31,275	29,505
Covered by		
F) EQUITY	(22,932)	(21,400)
G) NET FINANCIAL POSITION (*)	(8,343)	(8,105)
Medium/Long-term financial payables	(14,321)	(10,320)
Short-term financial payables	(5,954)	(4,712)
Cash and cash equivalents	11,932	6,927
H) TOTAL HEDGES	(31,275)	(29,505)

(National accounting standards + IAS 17)

Consolidated Cash Flow Statement

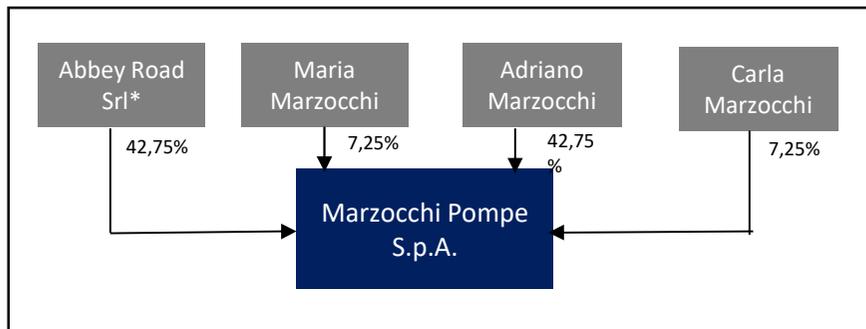
€/000	2023	2022
Operating profit [EBIT]	4,458	2,714
Tax effect	(710)	(618)
Change in funds	(678)	(143)
Provisions and write-downs	3,643	4,843
Income cash flow	6,713	6,796
Changes in working capital		
Inventories	1,214	(1,887)
Trade receivables	866	(486)
Other receivables	(3,240)	588
Trade payables	(880)	(831)
Other payables	393	(561)
Changes in working capital	(1,648)	(3,178)
Operating cash flow (Free cash flow)	5,065	3,618
Net tangible & intangible investments	(3,679)	(3,118)
Other fixed assets changes	719	101
Financial value adjustments	69	50
Cash flow from investing activity	(2,890)	(2,968)
Financial charges/income	(811)	(184)
Share capital increases (/decreases)	0	0
Other Equity changes	(1,602)	(734)
Cash flow from financial activities	(2,413)	(918)
Net cash flow	(238)	(267)
Start-of-period cash or (exposure)	(8,105)	(7,838)
End-of-period cash or (exposure) (*)	(8,343)	(8,105)
Net cash increase (decrease)	(238)	(267)

(National accounting standards + IAS 17)

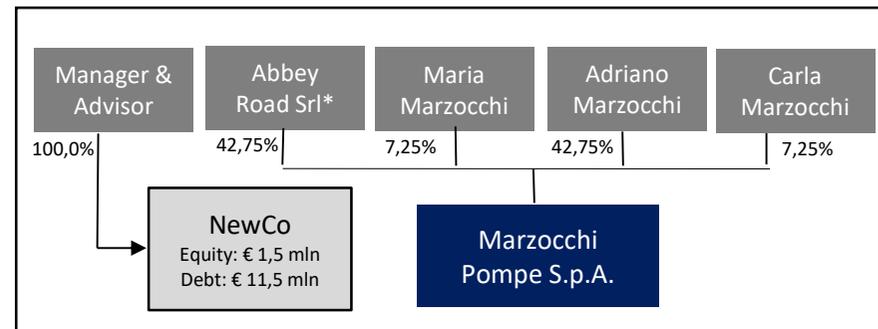
Focus on family and management Buy-out

During 2018 the company underwent a restructuring procedure that modified the shareholding structure. As of today, the company is owned by Paolo Marzocchi. The operation was completed through the creation of a financial debt with Banca di Bologna, which allowed the release of some shareholders and ease the access of a new group of shareholders formed by the company's managers and a third partner, Crosar Capital, advisor of the operation and of the subsequent IPO.

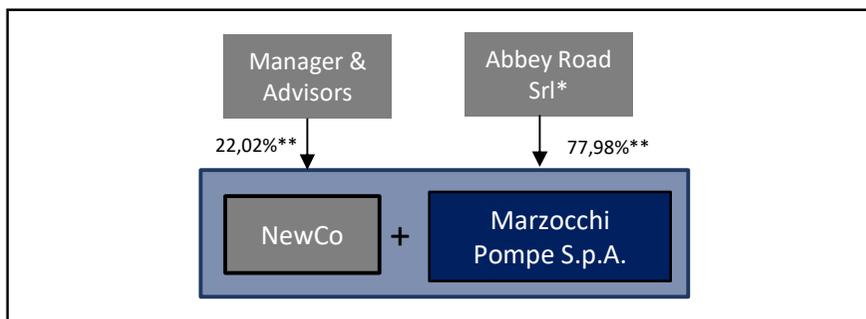
1 Shareholding Marzocchi Pompe pre-LBO



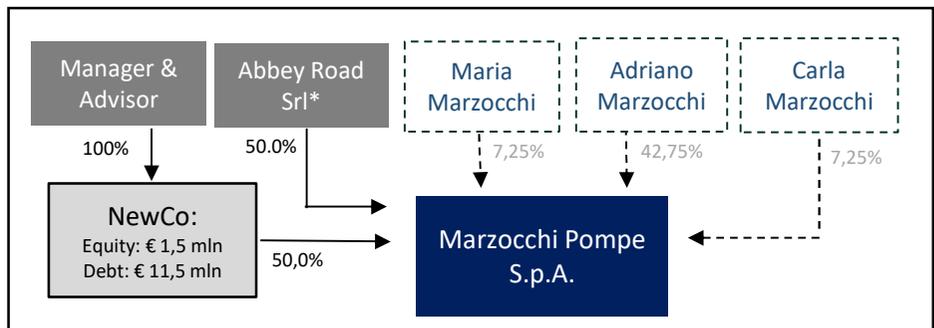
2 Management and advisor create a NewCo for the acquisition of Adriano and Carla Marzocchi's shares (42,75%+7,25%) with € 13 mil (Equity + Debt)



4 NewCo reverse merge into Marzocchi Pompe



3 NewCo acquires 50% of MP from Adriano and Carla Marzocchi for € 12,5 mil; Paolo Marzocchi acquires 7,5% of MP from Maria Marzocchi



*Abbey Road Srl is owned by Paolo Marzocchi (99,5%) and his nephew Marco Camorani Scarpa (0,5%)

** 89% of Marzocchi Pompe SpA shares is pledged to Banca of Bologna

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