

PRESS RELEASE

MARZOCCHI POMPE: APPROVED THE HALF-YEARLY REPORT AS AT 30 JUNE 2022**MARZOCCHI CLOSSES A RECORD HALF-YEAR IN THE GROUP HISTORY,
WITH NET REVENUES UP 28 PERCENT TO €25.5 MILLION****TARGETS CONFIRMED FOR THE THREE-YEAR PERIOD 2022 - 2024**

- **NET REVENUES: €25.5 million, up 28% vs. €19.9 million as of June 30, 2021**
- **CORE BUSINESS SALES: +33% to €20.7 million (vs. €15.6 million in H1 2021)**
- **AUTOMOTIVE SALES: +11% to €4.8 million (vs. €4.3 million in H1 2021)**
- **EBITDA: €3.85 million, essentially unchanged vs. €3.88 million as of June 30, 2021**
- **EBITDA Margin¹: 15.2%, vs. 17.6% in H1 2021 due to energy cost impact (weight increased to 3.7% vs. 2.2% in H1 2021)**
- **NET PROFIT: €0.9 million vs. €1.0 million as of June 30, 2021**
- **NET FINANCIAL DEBT: €10.1 million vs. €7.8 million at end-2021**
- **NET EQUITY: €20.3 million (FY2021: €19.8 million)**

Bologna, 30 September 2022 - The Board of Directors of Marzocchi Pompe S.p.A. (EGM:MARP), a leading company in the design, production and marketing of high-performance gear pumps and motors, met today under the chairmanship of Paolo Marzocchi and approved the half-yearly financial report as of June 30, 2022, subject to limited audit.

Gabriele Bonfiglioli, CEO of Marzocchi Pompe, commented: *“As we are well aware, the first part of 2022 has been characterized by a climate of great economic uncertainty, mainly created by the rising raw material costs, amplified by the conflict in Ukraine and the continuing health emergency, particularly in China. Against this backdrop, we are even more proud to be able to announce that we have achieved our best-ever sales revenue, which confirms both our excellent market positioning and the effectiveness of our business model. Once again, in fact, the distinctive “make” approach, together with a targeted increase in inventory, enabled us to keep delivery times unchanged, bucking the industry trend, and thus to continue to seize new opportunities.*

We remain particularly optimistic about the future of Marzocchi Pumps, strengthened by the high technological level of our products and our propensity to meet the market needs, both in terms of customization and production flexibility. These are the main cornerstones on which we are increasingly strengthening our relationship with customers and thanks to which we will be able to seize new opportunities, with the aim of strengthening our market leadership”.

¹ EBITDA Margin calculated on Sales Revenues + WIP

MAIN ECONOMIC AND FINANCIAL RESULTS AS OF JUNE 30, 2022

Figures as of June 30, 2022, are shown on a consistent basis with what is stated in Chapter 3 of the Admission Document.

It should be highlighted that for both the first half of 2022 and the first half of 2021, there were no events and situations that would highlight the presence of non-recurring costs and revenues.

Summary of Half-Year Results

€ Millions	30 June 2022	30 June 2021
Sales Revenue	25.5	19.9
Production Value	25.7	22.8
EBITDA	3.8	3.9
EBIT	1.3	1.4
EBIT Adjusted *	1.7	1.9
Earnings before Tax	1,3	1.2
Net Profit	0.9	1.0
€ Millions	30 June 2022	31 December 2021
Net Invested Capital	30.4	27.6
Net Equity	20.3	19.8
Net Financial Position	(10.1)	(7.8)

(*) Net of revaluation depreciation resulting from the merger transaction from LBO.

Net Revenues as of June 30, 2022 totalled **€25.5 million**, up **28 percent** from €19.9 million as of June 30, 2021, and up 24.4 percent from the second half of 2021, which had already consolidated the Group's post-Covid recovery.

Sales results for the first half of 2022 represent a record for Marzocchi Pompe, further confirming its excellent positioning among the leading players in the industry.

Growth was mainly driven by the **Core Business** segment, which posted **+32.8 percent** over the first half of 2021 and +26.8 percent over the second half of 2021.

Sales in the **Automotive** segment also performed very satisfactorily for the Group, despite the ongoing difficulties in the industry, marking **+10.6%** over H1 2021 and **+14.9%** over H2 2021.

Breakdown of Revenues by Sales Channels

<i>Eur 000</i>	30-Jun-22		30-Jun-21		% Change on H1 2021
Sales Network	9,975	39.1%	7,062	35.4%	41.2%
Automotive	4,779	18.7%	4,321	21.7%	10.6%
Industrial	6,005	23.5%	4,895	24.6%	22.7%
Mobile	4,743	18.6%	3,649	18.3%	30.0%
Tot. Sales Rev.	25,502	100.0%	19,928	100.0%	28.0%
Of which					
Core business	20,723	81.3%	15,607	78.3%	32.8%
Automotive	4,779	18.7%	4,321	21.7%	10.6%

Geographically, Marzocchi has further strengthened its presence in the **U.S. market**, whose share of total revenues has increased from 30 percent at the end of 2021 to **36.4** percent today. The share allocated to exports is confirmed at 71 percent.

The strong sales increase was made possible by a **targeted inventory management policy**, which avoided interruptions in the logistics-production chain, in the context of a strong increase in working capital, a natural consequence of such a buoyant revenues growth.

EBITDA remained substantially stable at **€3.85 million**, vs. €3.88 million as of June 30, 2021, confirming the maximum levels of the pre-Covid era despite the significant rise in costs due to the international scenario.

In the first half of 2022, **EBITDA margin** (calculated on Sales Revenues + WIP) equalled **15.2%**, down from 17.6% in the same period of 2021, mainly due to the increased impact of energy costs, whose weight rose from 2.2% to 3.7%. To counter the increase in energy costs, Marzocchi Pompe has promptly started negotiations with customers, with the aim of rising sales prices and recovering the gap in the short term, thus limiting margin compression. In addition, the Company has long implemented energy-saving measures within its production processes.

EBIT declined slightly to **€1.3 million** vs. €1.4 million as of June 30, 2021, however, impacted by depreciation and amortization. **Adjusted EBIT**, calculated net of revaluation depreciation and amortization resulting from the merger transaction from LBO, amounting to €0.4 million in the half year, stood at **€1.7 million** vs. €1.9 million as of H1 2021.

The first half of 2022 closes with a **Net Profit** of **€0.9 million**, slightly down from €1.0 million as of June 30, 2021.

Investments amounted to **€0.8 million**, or 3.2% of sales, as per the Business Plan, up from €0.6 million (or 3% of sales) in the first half of 2021.

Shareholders' Equity stood at **€20.3 million** in the first half of 2022, up from €19.8 million at the end of 2021, net of the 2021 dividend payment, which doubled from the previous year (€0.8 million).

Evolution of Shareholders' Equity

Eur 000	30-Jun-2022	31-Dec-2021
Share Capital	6,539	6,539
Share premium reserve	6,463	6,463
Revaluation reserve	1,867	1,867
Legal reserve	1,055	1,000
Other reserves	3,375	2,459
Cash flow hedge reserve	138	(99)
Profit/(loss) for the perios	926	1,591
Negative reserve treasury stock	(91)	(24)
Total Shareholders' Equity	20,272	19,796

The **Net Financial Position** as of June 30, 2022 equalled **€10.1 million** of debt, up from €7.8 million as of December 31, 2021, due to the growth in working capital (from €10.1 million as of December 31, 2021 to €14.8 million as of June 30, 2022) resulting both physiologically from the strong development of revenues and from the increase in inventories, which is essential to ensure the continuity of the production chain. These actions were made possible by the proven equity and financial strength of Marzocchi Pompe, which, combined with its great capability to generate cash flow, supported a deeper market penetration at a time of great difficulty for manufacturers.

It should also be mentioned that the Net Financial Position as of June 30, 2022, does not incorporate the proceeds from the **divestment of a non-strategic real estate asset**, which perfected on July 14, 2022, for a cash-in of **€668,000**. As a result, the **Adjusted Net Financial Position** amounts to **€9.4 million** of debt.

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2022

On **March 30 and 31**, Marzocchi Pompe participated in the second edition of the "**VTM - Vehicle Transportation Technology Innovation Meetings**" exhibition in Turin, an international business convention dedicated to the technical and business community of the automotive and road and rail transportation world, which welcomes buyers and decision makers from the world's leading OEMs, TIER1 and System Integrators.

On **June 29 and 30**, Marzocchi Pompe participated in the "**iVT Expo**" trade show in Cologne, Germany, one of the most important international events in the field of components and the latest and next-generation technologies for industrial vehicles, off-highway, construction machinery and vehicle hybridization.

SIGNIFICANT EVENTS OCCURRING AFTER JUNE 30, 2022

No atypical or unusual transactions requiring changes to these consolidated financial statements for the period occurred after June 30, 2022.

In the first half of the year and the following months, the **share buyback** program continued. As of September 23, 2022, Marzocchi Pompe held a total of 24,250 treasury shares, representing 0.370% of the share capital.

FORESEEABLE DEVELOPMENTS IN OPERATIONS

In light of the current order backlog coverage, it is foreseeable that Marzocchi Pompe could exceed expectations for 2022, despite the current strong fluctuations in energy costs, which on the one hand do not affect significantly operating costs (as of June 30 they represent 3.7% of total sales), and on the other hand should be partly absorbed by the **new price lists implemented in the second half of the year**.

The **proven equity and financial strength of the Group**, also guarantees a large financial autonomy that allows it to continue with determination in its operational choices and implementation of business development strategies. The **wide diversification of the market segments** in which the Group operates, some of which are undergoing significant growth, puts the Company in a position to continue with its program of commercial penetration aimed at **further strengthening its market leadership position**, as shown by the results achieved also in this half year.

The forecasts for the three-year period 2022 - 2024 outlined in the March 30 press release remained unchanged:

1. **Significant organic growth in Revenues, with a CAGR 2021-2024 in the 6-8% range.**
2. **Retention of the good levels of profitability achieved during the year.**
3. **Maintaining an optimal level of leverage (Net Debt/EBITDA 1-1.5x) and maintaining a Leverage Ratio of less than 50% of Shareholders' Equity.**
4. **Confirmation of the Dividend policy already adopted in recent years.**

DOCUMENTATION STORAGE

A copy of the half-yearly financial report as of June 30, 2022, including the auditors' report, will be made available to the public within the terms of the law at the company's registered office in Bologna, as well as through publication on the institutional website <https://www.marzocchipompe.com/it/bilanci-e-relazioni-periodiche-marzocchi-pompe> and on the authorized storage mechanism www.1info.it managed by Computershare S.p.A.

The Management of Marzocchi Pompe will present the 2022 half-year results to Italian and international investors via video conference **on October 05, 2022, at 10:30 a.m. CET.**

Marzocchi Pompe's presentation will be made public the morning of the event on the Company's website in the *Investor Relations - Corporate Presentations* section.

Pursuant to Article 17 of the Euronext Growth Milan Issuers' Regulations, the Company has updated the 2022 corporate events calendar indicating the date on which the event will be held and available on the Company's website in the *Financial Calendar* section.

Marzocchi Pompe S.p.A.

Marzocchi Pompe is a leading designer, manufacturer and marketer of high-performance gear pumps and motors, which find application in various fields: industrial, mobile and automotive. It ended 2021 with more than 40 million euros in sales revenue. Founded in 1949, it is controlled by the Marzocchi family, which holds the majority of the shares and is present in the company with Paolo Marzocchi, chairman, and his son Carlo, vice chairman. The shareholding structure also includes CEO Gabriele Bonfiglioli and four other managers. Production is made entirely in Italy at the two sites in Casalecchio di Reno (BO) and Zola Predosa (BO). Marzocchi Pompe is present in more than 50 countries through an international distribution network.

Marzocchi Pompe S.p.A.

Gabriele Bonfiglioli, CEO & IR

ir@marzocchipompe.com

Integrae SIM S.p.A. – Euronext Growth Advisor

Francesco D'Antonio francesco.dantonio@integraesim.it

Luca Comi luca.comi@integraesim.it

CDR Communication - Investor Relations

Paola Buratti (IR) paola.buratti@cdr-communication.it

CDR Communication - Media Relations

Martina Zuccherini (Media) martina.zuccherini@cdr-communication.it

The following are the main consolidated financial statements of Marzocchi Pompe S.p.A. for the six-month period ended June 30, 2022 compared with the corresponding comparative figures (amounts in Euro/000), specifically:

- income statement;
- balance sheet;
- cash flow statement;
- net financial position.

CONSOLIDATED INCOME STATEMENT

(National accounting standards + IAS 17)

<i>Eur 000</i>	30-Jun-22		30-Jun-21	
Sales Revenue	25,502	100%	19,928	100%
WIP changes	(218)		2,053	
Other revenues	435		829	
PRODUCTION VALUE	25,719		22,810	
Raw material consumption	(6,548)	(25.9%)	(5,329)	(24.2%)
Service costs	(7,077)	(28.0%)	(6,094)	(27.7%)
Costs for use of third-party goods	(182)	(0.7%)	(151)	(0.7%)
Various operating costs	(224)	(0.9%)	(235)	(1.1%)
VALUE ADDED	11,690	46.23%	11,001	50.05%
Staff costs	(7,841)	(31.0%)	(7,125)	(32.4%)
EBITDA	3,849	15.22%	3,877	17.64%
Depreciation and amortization	(2,279)	(9.0%)	(2,464)	(11.2%)
Accounting for contingencies	(300)	(1.2%)		
OPERATING PROFIT (EBIT)	1,269	5.02%	1,413	6.43%
Financial income and charges	(23)	(0.1%)	(68)	(0.3%)
Financial value adjustments	10	0.04%	(106)	(0.5%)
EARNINGS BEFORE TAX	1,256	4.97%	1,238	5.63%
Income tax for the year	(330)	(1.3%)	(204)	(0.9%)
NET INCOME	926	3.66%	1,034	4.71%

CONSOLIDATED BALANCE SHEET

(National accounting standards + IAS 17)

<i>Eur 000</i>	30-Jun-22	31-Dec-21
A) NET FIXED ASSETS	17,125	19,081
Intangible fixed assets	1,183	1,306
Tangible fixed assets	14,398	16,391
Financial fixed assets	1,544	1,384
B) NET WORKING CAPITAL	14,798	10,105
Inventories	13,078	12,121
Assets intended for sale	668	-
Advances from customers	(33)	(11)
Trade receivables	10,700	7,703
Other receivables	1,982	2,680
Trade payables	(6,703)	(7,503)
Other payables	(3,858)	(3,628)
Provisions for risks and charges	(1,743)	(1,570)
Other assets/liabilities	708	313
C) GROSS INVESTED CAPITAL	31,923	29,186
D) EMPLOYEE SEVERANCE PAY	(1,571)	(1,552)
E) NET INVESTED CAPITAL	30,352	27,633
Covered by		
F) NET EQUITY	(20,272)	(19,796)
G) NET FINANCIAL POSITION	(10,080)	(7,838)
Medium/long-term financial payables	(11,538)	(8,881)
Short-term financial payables	(5,246)	(4,637)
Cash and cash equivalents	6,704	5,681
H) TOTAL HEDGES	(30,352)	(27,633)

CONSOLIDATED CASH FLOW STATEMENT

(National accounting standards + IAS 17)

€/000	30-Jun-22	30-Jun-21
Operating profit [EBIT]	1,269	(963)
Tax effect	(330)	335
Change in funds	192	(85)
Provisions and write-downs	2,279	2,224
Income cash-flow	3,410	1,511
Change in working capital		
Inventories	(958)	(2,635)
Trade receivables	(2,976)	(1,197)
Other receivables	30	687
Payables to suppliers	(800)	1,197
Other payables	(164)	409
Changes in working capital	(4,867)	(1,538)
Operating Cash Flow (Free cash flow)	(1,456)	(27)
Net tangible & intangible investments	(163)	(319)
Change other fixed assets	(161)	(174)
Financial value adjustments	10	(120)
Cash flow from investing activity	(313)	(613)
Financial charges/income	(23)	(175)
Share capital increases/(decreases)	0	0
Other equity changes	(450)	1,615
Cash flow from financial activities	(473)	1,440
Net cash flow	(2,242)	800
Start-of-period cash or (exposure)	(7,838)	(9,252)
End-of-period cash or (exposure)	(10,080)	(8,452)
Net cash increase (decrease)	(2,242)	801