

THE PIAGGIO GROUP: PROFILE

The Piaggio Group is the largest European manufacturer of two-wheel motor vehicles and one of the world leaders in its sector. The Group is also a major international player on the commercial vehicle market. **Roberto Colaninno** is Chairman and Chief Executive Officer of the Piaggio Group, **Matteo Colaninno** is Deputy Chairman. Piaggio (PIA.MI) has been listed on the Italian stock exchange since 2006. Established in **1884** by Rinaldo Piaggio, since 2003 the Piaggio Group has been controlled by **Immsi S.p.A.** (IMS.MI), an industrial holding listed on the Italian stock exchange and headed by Roberto Colaninno, who is Chairman. Immsi's Chief Executive Officer and Chief Operating Officer is **Michele Colaninno**.

The product ranges: motorcycles and scooters from 50 to 1400 cc, commercial vehicles

The Piaggio Group product range includes scooters, motorcycles and mopeds from 50 to 1,400 cc marketed under the **Piaggio, Vespa, Aprilia, Moto Guzzi, Gilera, Derbi and Scarabeo** brands. The Group also operates in the light transport sector with its **Ape, Porter and Quargo (Ape Truck)** ranges of three- and four-wheel commercial vehicles. The Piaggio Group brand portfolio contains some of the most distinguished and historic names in the motorcycling world: these include **Gilera** (founded in 1909), **Moto Guzzi** (founded in 1921), **Derbi** (1922) and **Aprilia**, which in just over twenty years has established itself as one of the most successful manufacturers in the world Speed and Superbike championships. In scooters, the extraordinary **Vespa** brand has been a synonym for two-wheel individual mobility since 1946 when it made its debut; with more than 18 million vehicles produced since then, the Vespa is an incredibly long-lived market success as well as one of the best known icons of Italian style and technology in the world.

Piaggio in the world: Europe, Asia, America

The Piaggio Group is **headquartered** in Pontedera (Pisa, Italy) and has production plants around the world: **Pontedera**, where the Group technical HQ is located, which produces Piaggio, Vespa and Gilera branded two-wheelers, light transport vehicles for the European market and engines for scooters and motorcycles; **Noale (Venice)**, a technical centre for the development of motorcycles for the entire Group and the home of Aprilia Racing; **Scorzè (Venice)**, which produces Aprilia and Scarabeo branded two-wheelers; **Mandello del Lario (Lecco, Italy)**, which produces Moto Guzzi vehicles and engines; **Baramati (India, in the state of Maharashtra)**, which produces three- and four-wheel light transport vehicles for the Indian market and for export, the Aprilia SR 150 (named best scooter in 2016), the Vespa scooter for the local market, diesel and turbodiesel engines for the Group's commercial vehicles; **Vinh Phuc (Vietnam)** which produces Vespa and Piaggio scooters for the local market and the Asia-Pacific area.

The Piaggio Group also operates in **China** through a joint venture (Zongshen Piaggio Foshan Motorcycles, based in **Foshan** in the province of Guangdong) in which it holds a 45% stake and which is therefore not included in the Group's consolidated results. In the USA, Pasadena, California, is home to the **Piaggio Group Advanced Design Center** for R&D. Also in the USA, **Piaggio Fast Forward Inc. (PFF)**, a Piaggio subsidiary established in 2015 to develop innovative mobility and transport solutions and technologies, is based in Boston. The members of the PFF Advisory Board are **Roberto Colaninno, Nicholas Negroponte, Doug Brent, Jeff Linnell and John Hoke**; the members of the Board of Directors include **Michele Colaninno** (Chairman), **Jeffrey Schnapp** (CEO) and **Greg Lynn** (Chief Creative Officer).

In February 2017, PFF introduced GITA and KILO, the first two projects based on its cutting-edge technological research. GITA is a smart cargo robot, designed to assist people. It carries loads of up to 18 kg, observes and communicates. It can follow people, reaching a speed of 35 km/h in a mapped space. Its spherical shape and clean design characterise its personality. KILO is GITA's "big brother", whose huge payload capacity enables it to transport up to 100 kg in its 120 lt compartment. The robot's three wheels ensure outstanding stability.

Piaggio vehicles are sold all over the world. The Group's distribution network was strengthened in the early months of 2017 with the opening of new multibrand Motoplex stores. The first flagship store was launched two years ago, and the Group now has 200 Motoplex outlets in Europe, the Americas, Oceania, Asia and the Indian subcontinent.

Motor racing: 104 world titles with Aprilia, Moto Guzzi, Gilera and Derbi

The **Piaggio Group** has a **formidable record** in motor racing, with extraordinary names such as Aprilia, Moto Guzzi, Gilera and Derbi that have gone down in sport history. Together, these Piaggio Group brands have won an impressive **total of 104 world championship titles: Aprilia: 54 titles; Derbi: 21 titles; Moto Guzzi: 15 titles; Gilera: 14 titles.**

In 2014, together with the Rider title, for the third consecutive year **Aprilia** won the World Manufacturer title in the **World Superbike Championship**. Aprilia is **one of the most successful names in the history of motor racing**, with **54 world titles** (28 since it became part of the Piaggio Group). It also has **38 World GP championship titles** (20 in the 125 and 18 in the 250 categories), **7 Superbike titles** (Rider and Manufacturer in 2010, Rider and Manufacturer in 2012, Manufacturer in 2013, Rider and Manufacturer in 2014) and **9 Off Road titles** (7 Supermoto and 2 Trial). In 2015, in the **Superstock 1000 FIM Cup**, Aprilia won the Rider title with Italy's Lorenzo Savadori and the Manufacturer title with the Aprilia RSV4 RF 1000cc V4. Since 2015, Aprilia Racing has returned to the premier class of world motorcycling, Moto GP. The official riders for the 2017 season are Aleix Espargarò and Sam Lowes.

Financial results in 2016

In 2016 the Piaggio Group reported **consolidated net sales of 1,313.1 million euro**, an increase of **1.4% from 1,295.3 million euro in 2015**, **Ebitda of 170.7 million euro** (161.8 million euro in 2015) and **net profit of 14 million euro** (11.9 million euro), up **18.3%**. The **industrial gross margin** was **389.2 million euro** (3.9%).

In 2016, the **Piaggio Group sold 532,000 vehicles worldwide**, an increase of **2.4%** from 519,700 in 2015.

At **geographical level**, sales generated revenue growth in the EMEA area and the Americas (+5.7%), which more than counterbalanced the decrease reported in India due to a negative exchange-rate effect (-4.1%; -0.1% at constant exchange rates) and in Asia Pacific (-5.3%; -4.8% at constant exchange rates).

In 2016, the Group sold **344,000 two-wheelers** worldwide (up 6.7% from 322,500 in 2015), generating **net sales of 916.5 million euro**, an **improvement of 3.6%** from 884.9 million euro in 2015. The figure **includes spares and accessories, on which turnover totalled 124.5 million euro** (a slight increase from 2015).

In 2016 the **Piaggio Group continued to strengthen its leadership of the European two-wheeler market**, with an **overall market share of 15.4%** (15.2% in 2015), and **25.4%** (24.1% in 2015) **in the scooter sector alone**, with a lead of more than 12 percentage points from the second competitor.

In the **commercial vehicles** sector, the Group sold **188,000 vehicles** (197,200 in 2015) for **net sales of 396.6 million euro** (410.4 million euro in 2015). The figure includes **spares and accessories**, where **sales totalled 44.5 million euro** (+4% from 42.7 million euro in 2015). On the Indian market for **three-wheel commercial vehicles**, the PVPL subsidiary had an **overall share of 28.9%** and confirmed its **leadership in the Cargo segment** with a market share of **50.7%**. The **Group also strengthened its presence on high-potential markets such as Latin America, Africa and Asia**, with the expansion of the distribution network to 23 countries, and further growth planned for 2017.

Piaggio Group **capital expenditure** in 2016 amounted to **96.7 million euro** (101.9 million euro in 2015), of which **30.9 million euro for R&D expenditure** (31.4 million euro in 2015) and approximately 65.8 million euro for property, plant and equipment, investment property and intangible assets (70.5 million euro in 2015).

Piaggio Group net debt at 31 December 2016 was **491 million euro**, an improvement of 7.2 million euro from 498.1 million euro at 31 December 2015.

The total workforce of the Piaggio Group at 31 December 2016 numbered **6,706 employees**. The Group's Italian employees numbered 3,518, substantially unchanged from 2015.

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