



# Piaggio Group

Full Year 2020 Financial Results

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# ENTERING 2021

WITH INNOVATION, STYLE AND SUSTAINABILITY



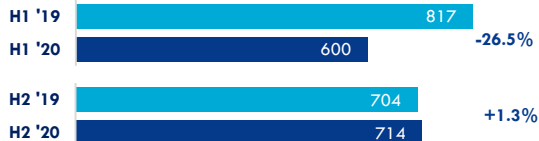


**CREATING A NEW  
GLOBAL MOBILITY**

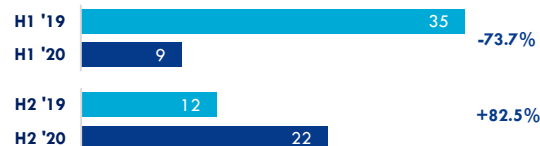
# Highlights

## Strong recovery after first wave of lockdowns, with all-time high cash generation

### NET SALES\* €m, Y/Y change %



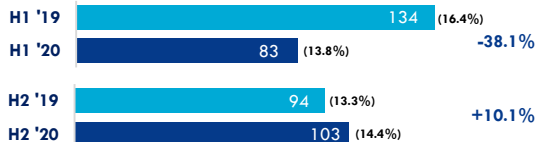
### Net Profit\* €m, Y/Y change %



### MARCH - DECEMBER FREE CASH FLOW

**+152€m**  
**all-time high**

### EBITDA\* €m, Y/Y change %, (Margin %)



### NET DEBT €m



\* Half year data shown on this slide are based on management estimates to facilitate the reading of the evolution of results and of COVID-19 effects throughout the year.

# Highlights

## Outstanding results from motorbikes

**aprilia**<sup>®</sup>



**RS 660**  
more than  
**1,000 units sold**  
in just a few weeks  
after launch

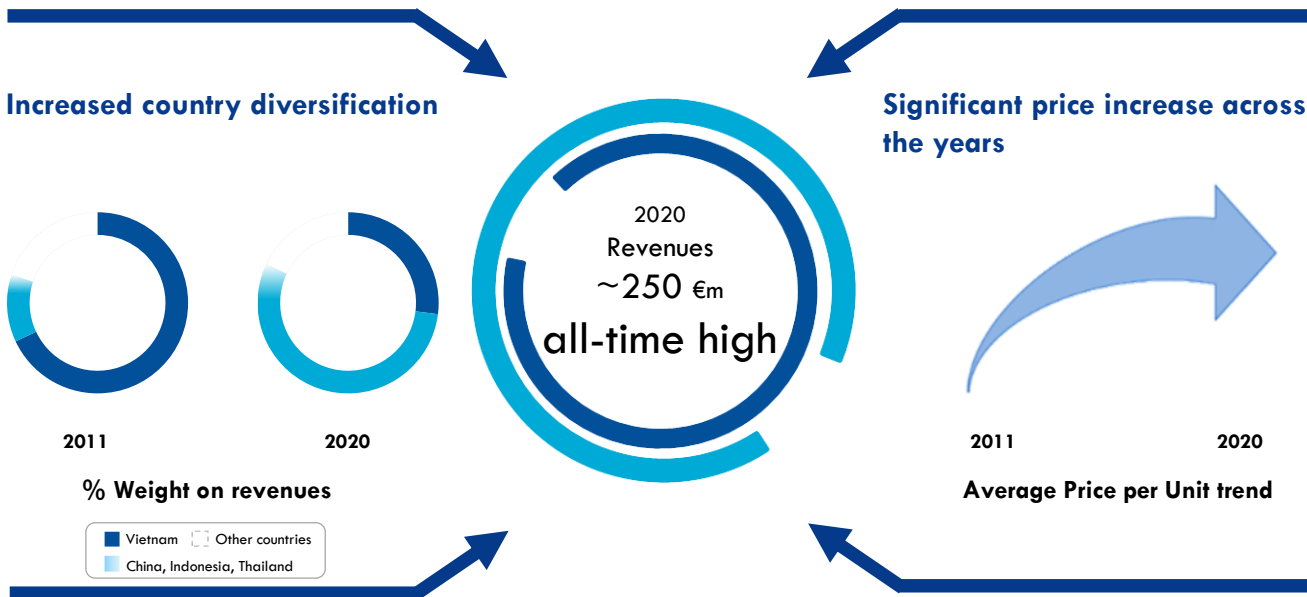
  
**MOTO GUZZI**<sup>®</sup>



**V7**  
volumes  
**up 26% in H2**  
second best absolute  
result ever

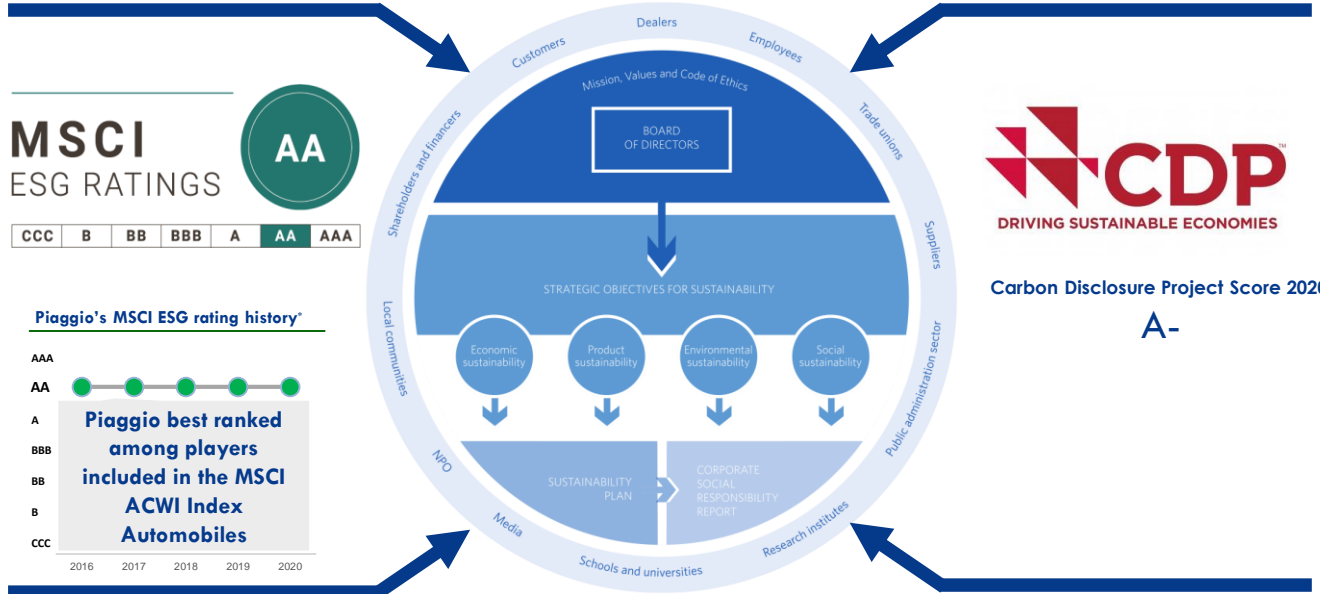
# Highlights

Last decade ASIA PAC journey: reaching the best results to date through country diversification and premiumization



# Highlights

## ESG: Piaggio's holistic approach drives best-in-class ratings



Carbon Disclosure Project Score 2020  
**A-**

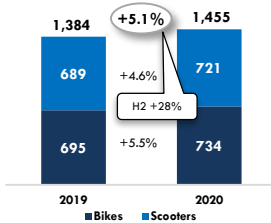
\* Last five years



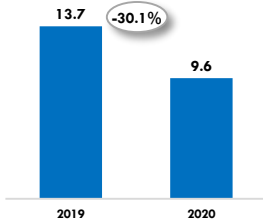
# Key markets demand

## Highlights

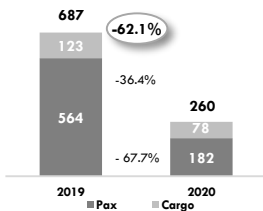
### EUROPE 2-Wheelers (k units)



### ASEAN 5 2-Wheelers (m units)



### INDIA\* Commercial Vehicles (k units)



### EMEA & Americas

2-Wheeler demand rebounded after the first wave of lockdowns sustained by a combination of renewed focus on individual urban mobility, replacement cycle and macro improvement.

Recovery drew strength mainly from Germany, the Netherlands and USA, whilst Italy and Spain lagged behind ending slightly down vs 2019.

Piaggio gained market share both in Europe, thus strengthening its leadership position, and in US scooter market.

### Asia Pacific

Asia Pacific diverging demand trends persisted across the year:

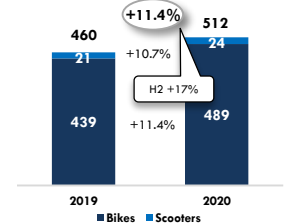
- ▶ All Asean 5 countries ended down vs. prior year; Malaysia was the only country to revert the trend to positive in Q4, whilst Indonesia kept trending down across the year plummeting ~40%.
- ▶ On a different path other key reference countries, notably, China where scooters ended up with a high single-digit figure, whilst Taiwan posted sequentially stronger trend ending up by ~30%.

### India

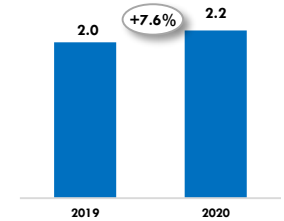
Demand plummeted hit by prolonged lockdown measures, although encouraging signs emerged in Q4, with Scooters resuming growth and Cargo Light Commercial Vehicles declining at a minor pace vs. prior quarters on the back of rural economy improvement.

Piaggio gained market share both in the LCV and Scooter market.

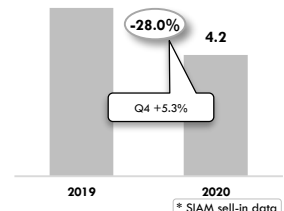
### USA 2-Wheelers (k units)



### CHINA Scooters (m units)



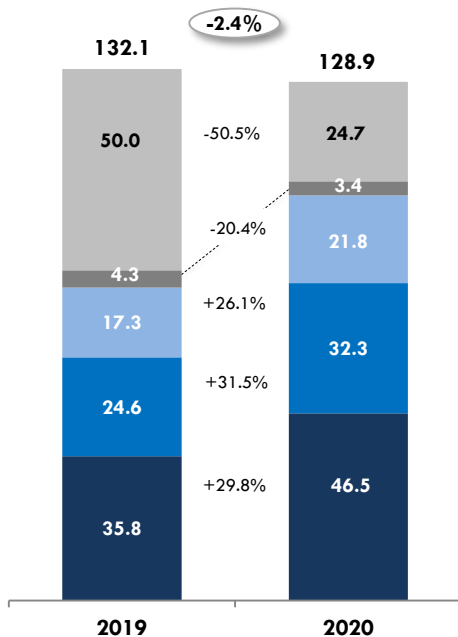
### INDIA\* Scooters (m units)



\* SIAM sell-in data

# Volumes: evolution by business

**Q4\* - Volume evolution by business (k units)**



## Highlights

2-Wheelers on the rise across the board in Q4, almost offsetting the Indian LCV heavy drop; YTD results still dragged down by plunging Indian demand

### CV India

Volume drop driven by Pax segment affected by enduring lockdown effects in urban areas, while the Cargo trend shifted to positive in Q4, suggesting that the segment is on the verge of a recovery cycle

### CV EMEA & Americas

Resilient performance in domestic market overshadowed by the drop in exports

### 2W India

Rebound in Q4, driven by improving market demand coupled with market share gain, provided initial signs of sustained recovery

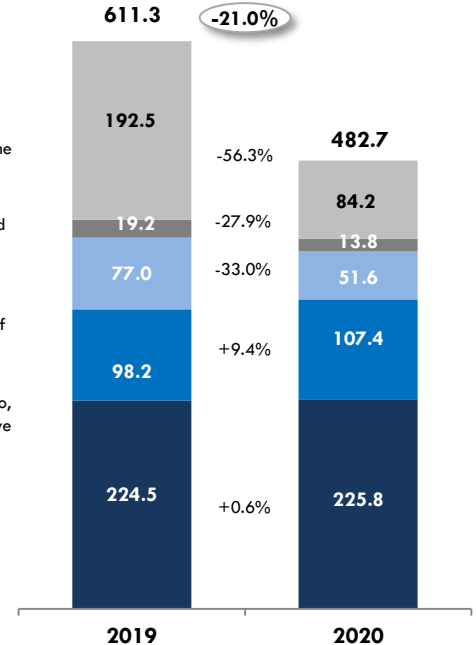
### 2W Asia Pacific

Outstanding performance, in a subdued market scenario, confirmed in Q4. China, Thailand and South Korea drove the growth, whilst Indonesia's upward shift in Q4 bodes well for 2021

### 2W EMEA & Americas

Strong rebound confirmed in Q4, despite the further drawdown of European dealers' stock. Germany, the Netherlands and Americas stood out ending up double-digits at the end of the year

**FY - Volume evolution by business (k units)**



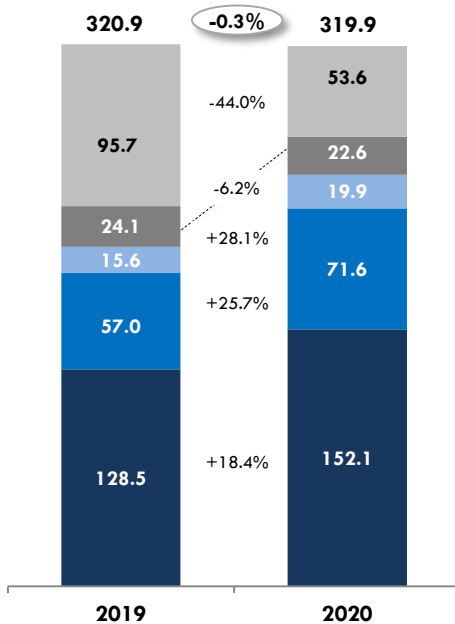
2-Wheelers: ■ EMEA & Americas ■ Asia Pacific ■ India

Commercial Vehicles: ■ EMEA & Americas ■ India

\* Quarterly data shown on this slide are based on management estimates to facilitate the reading of the evolution of results and COVID-19 effects throughout the year.

# Net Sales: evolution by business

Q4\* - Net Sales evolution by business (€m)



Highlights

Volume improving trend amplified at revenues level, on the back of broad positive pricing notwithstanding ForEx headwinds. Asia took the spotlight reaching an all-time revenue high

### CV India

Drop mitigated by a steep price increase largely due to the introduction of BS VI vehicles

### CV EMEA & Americas

Negative volume trend partially offset by a strong segment mix effect

### 2W India

Q4 and full year dynamic benefitted from significant price hikes, despite the challenging economic backdrop

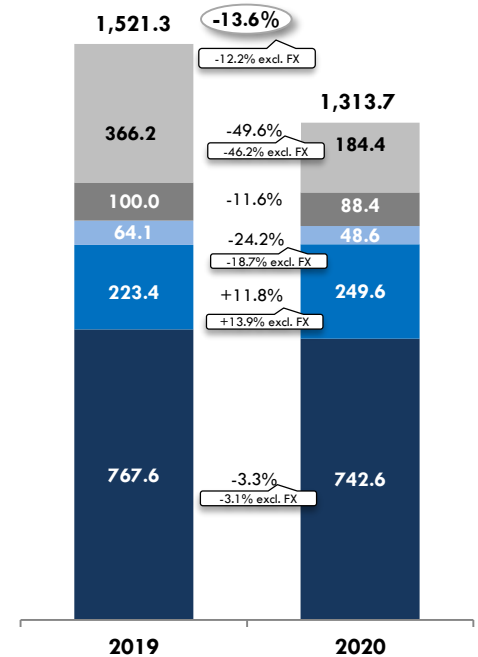
### 2W Asia Pacific

Highest Q4 performance to date - mostly driven by Indonesia, Thailand and China - pushed full year revenue to an all-time high

### 2W EMEA & Americas

Q3 strong momentum confirmed in Q4, despite dilutive mix and negative ForEx effect, driving revenues close to PY level.

FY - Net Sales evolution by business (€m)



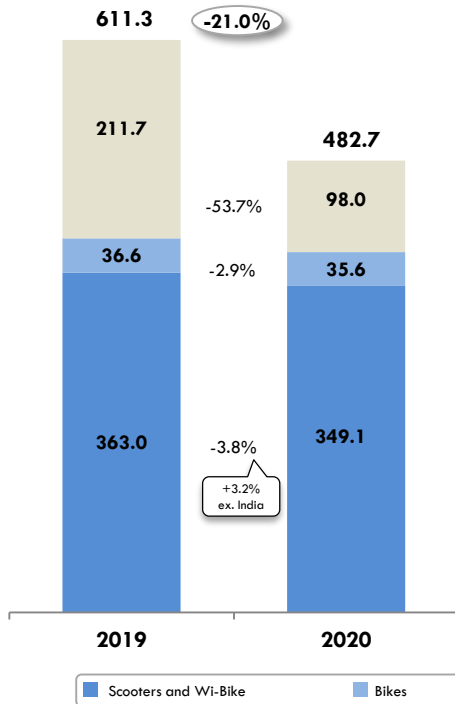
2-Wheelers: ■ EMEA & Americas ■ Asia Pacific ■ India

Commercial Vehicles: ■ EMEA & Americas ■ India

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# Evolution by product

FY - Volume evolution by product (k units)



## Highlights

Scooters fully recovered ending up the year with revenues on the rise behind sequential performance improvement in all geographies. Bikes results dented by dealers' stock drawdown ahead of new product launches.

### Commercial Vehicles

Results deeply affected by Indian performance

### Bikes

Motorbikes catch-up accelerated in H2, despite deliberate channel inventory reduction. Aprilia surged in Q4, fueled by the successful launch of the new RS 660

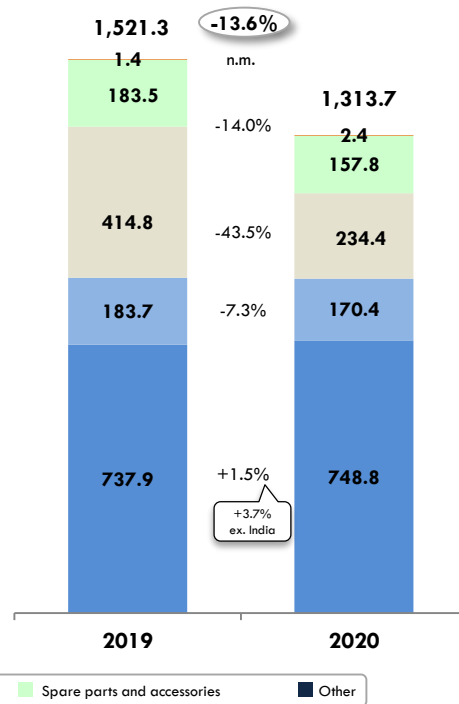
### Scooters

Revenues fully recovered from COVID-19 disruptions, with all geographies positively contributing at the end of the year. Prices overall up mid single-digit provided further proof of the strength of our brands

Notably:

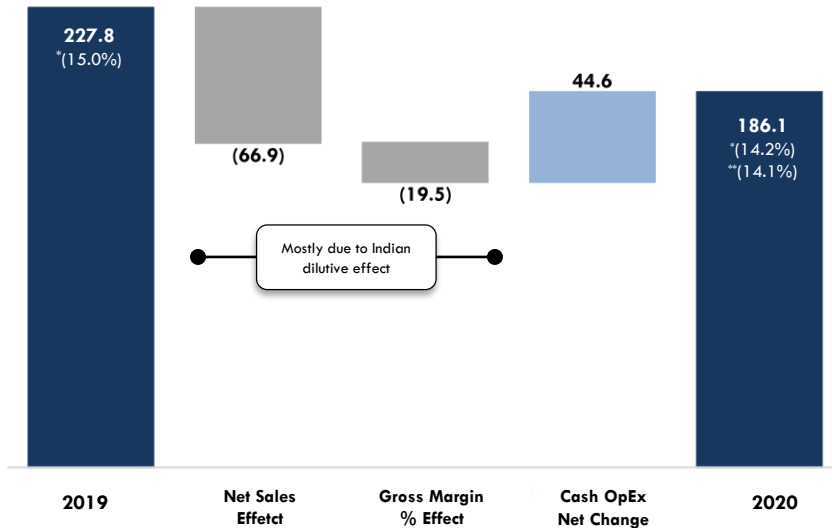
- ▶ Vespa was the outright bright spot, with revenues on the rise on the back of volume growth coupled with a widespread positive price effect
- ▶ Medley confirmed strong momentum reaching an all-time volume & revenue high

FY - Net Sales evolution by product (€m)



# EBITDA Evolution

## EBITDA evolution (€m)



## Highlights

**EBITDA decline**, exacerbated by negative ForEx effect, still reflecting the prolonged Indian weakness, **whilst Western Countries fully recovered from the first wave of lockdown measures and Asia Pac ended with the best performance on record**

Heightened efficiencies on Operating Expenses continued in Q4 without affecting key projects, thus more than offsetting the gross margin dilutive effect and partially mitigating top line decline

\* % On Net Sales \*\* Excluding FX Effect

# To sum up

## P&L (€m)

	2019	2020	Change 2020 vs. 2019		
			Absolute	%	% excl. FX*
<b>Net Sales</b>	<b>1,521.3</b>	<b>1,313.7</b>	<b>-207.6</b>	<b>-13.6%</b>	<b>~ -12.2%</b>
<b>Gross Margin</b>	<b>458.8</b>	<b>372.4</b>	<b>-86.5</b>	<b>-18.8%</b>	<b>~ -18.0%</b>
% on Net Sales	30.2%	28.3%	-1.8%		
<b>EBITDA</b>	<b>227.8</b>	<b>186.1</b>	<b>-41.8</b>	<b>-18.3%</b>	<b>~ -17.5%</b>
% on Net Sales	15.0%	14.2%	-0.8%		
Depreciation	(123.3)	(115.2)	8.1	-6.6%	
<b>EBIT</b>	<b>104.5</b>	<b>70.9</b>	<b>-33.7</b>	<b>-32.2%</b>	
% on Net Sales	6.9%	5.4%	-1.5%		
Financial Expenses	(23.9)	(20.7)	3.2	-13.3%	
<b>Income before tax</b>	<b>80.7</b>	<b>50.2</b>	<b>-30.5</b>	<b>-37.8%</b>	
Tax	(33.9)	(18.8)	15.1	-44.5%	
<b>Net Income</b>	<b>46.7</b>	<b>31.3</b>	<b>-15.4</b>	<b>-33.0%</b>	
% on Net Sales	3.1%	2.4%	-0.7%		

## Highlights

**Financial expenses positive effect, boosted by effective currency management**, whilst cost of funding further trimmed

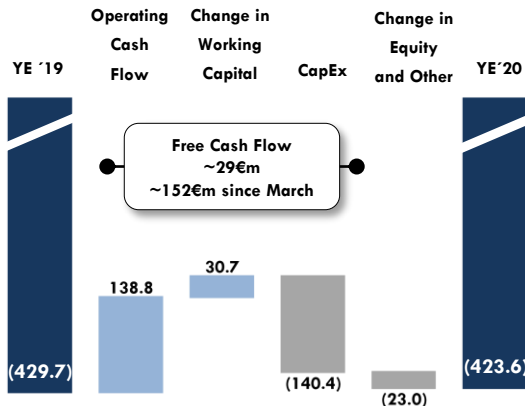
**Tax rate @ 37.6%, down 4.5p.p. vs. prior year**, mainly benefitting from the Indian dividend distribution tax reduction

**Full Year Net Result** still penalized by lower operating results in the first part of the year

\* Figures at constant exchange rates are management estimates calculated using the average exchange rates for the corresponding period in the previous year

# Net Financial Position - Liquidity

## 2020 Net Financial Position evolution (€m)



## Highlights

**Free Cash Flow generation strengthened across the year, with a remarkable improvement of 152€m since March, pushing Net Debt below YE 2019, while returning value to shareholders through dividends and buyback**

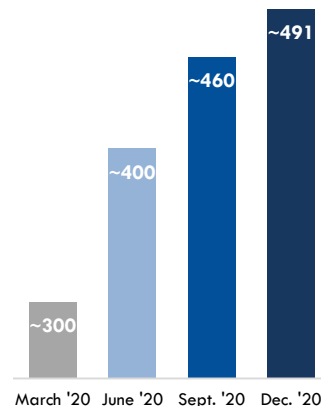
Outstanding improvement in Working Capital. Notably:

- ▶ **Inventories**, trimmed across the year, reached an **all-time low**
- ▶ **Receivables downward trend accelerated across the year**, benefitting from the spike of 2-Wheelers sales in Western Countries in H2 and increasing weight of ASIA Pacific sales

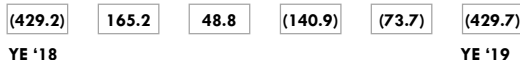
**CapEx in line with prior year**, to fuel our long-term product development

**Liquidity profile strengthened** across the year with Gross Cash reaching ~491€m, providing comfortable headroom to cover next year maturities

## Gross Cash\* (€m)



## 2019 Net Financial Position evolution (€m)



\* Calculated as liquidity plus committed undrawn credit lines

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