

Piaggio Group

Full Year 2025 Financial Results

CORPORATE PARTICIPANTS

MATTEO COLANINNO – CHAIRMAN

ALESSANDRA SIMONOTTO – CHIEF FINANCIAL OFFICER

RAFFAELE LUPOTTO – EXECUTIVE VICE PRESIDENT, HEAD OF INVESTOR RELATIONS

Operator

Good afternoon. This is the Chorus Call conference operator. Welcome, and thank you for joining the Piaggio Full Year 2025 Financial Results Conference Call. As a reminder, all participants are in listen-only mode. After the presentation, there will be an opportunity to ask questions. (Operator Instructions).

At this time, I would like to turn the conference over to Mr. Raffaele Lupotto, Investor Relations of Piaggio. Please go ahead.

MANAGEMENT DISCUSSION

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Raffaele Lupotto – Executive Vice President, Head of Investor Relations

Hello everyone, and welcome to Piaggio Group full year 2025 financial results conference call. Joining us today are Matteo Colaninno, Chairman of Board of Directors of Piaggio Group; and Alessandra Simonotto, Group Chief Financial Officer.

The slides supporting today's presentation are available on the Piaggio Group website. Before we begin, I would like to remind you that during today's call, we may make forward-looking statements based on Piaggio's current expectations and projections about future events. By their nature, these statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied. These factors are discussed in the safe harbor statement on Page 2 of today's presentation.

With that, I would like to hand the call over to our Chairman, Matteo Colaninno, for his opening remarks.

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Matteo Colaninno - Chairman

Thank you. Good evening to everybody. Welcome. Just a few words because I would like to underline that we are in the middle of a historical phase of constant uncertainty, where the world order based on shared and multilateral rules is now in crisis, as we know.

As far as the Piaggio Group is concerned, internationalization and diversification of our market, the power and the strength of our brands are key elements of Piaggio's resilience. In this context, despite the reduction

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in revenues in terms of ratio, once again Piaggio Group achieved healthy margins and profitability of the last few years, thanks to efficient management of its operation.

As you can see, we came as far as gross margin is concerned, in terms of ratio, we came from 28.3% of 2020 year to 27.7%, 26.6% in 2022; 28.5% in 2023; 29.2% in 2024, and the best ever is this year, actually, with 30.5% of gross margin. As far as EBITDA margin is concerned, we came from 14.2% of 2020 through 14.4%, 14.3%, 16.4% in year 2023; 16.9% in 2024, and actual 2025, 16.7% is the second-best-ever EBITDA margin. So today we can confirm investment in new models, technologies, while maintaining focus on process and product profitability.

The past year, 2025, saw the introduction of new models across all the Group brands. Let me say we have fantastic brands. As you know, Vespa, I can say it's the best scooter of the world, continues to evolve. We have a new power engine 310 single cylinder engine. Aprilia, we see a triumphant opening of the 2026 MotoGP season, and as you know, last Sunday we have won the Grand Prix with Marco Bezzecchi in Thailand, and four Aprilia in the first five positions. That means that we had continuously on air by sport television throughout the world, focused on the brands Aprilia, Moto Guzzi, Piaggio, Piaggio Commercial. So we have a fantastic brand.

So, before to give the floor to our CFO, I would like to stress again innovation, investments, competitiveness, sustainability remain the strategic compass of the Piaggio Group's development.

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Raffaele Lupotto – Executive Vice President, Head of Investor Relations

Okay. Thank you very much. So we can start now the Q&A session. Okay. Thank you.

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QUESTION AND ANSWER SECTION

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Operator

Thank you. This is the Chorus Call conference operator. We will now begin the question-and-answer session. (Operator Instructions). First question is from Intesa Sanpaolo, Monica Bosio.

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Monica Bosio – Banca Intesa San Paolo

Yes. Good afternoon. Can you hear me?

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Matteo Colaninno - Chairman

Yes, perfectly.

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Monica Bosio – Banca Intesa San Paolo

Yes. Thank you. Thank you for taking my questions. I have four. Do you prefer I ask all at once or one at a time?

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Matteo Colaninno - Chairman

All together. We try to remember what you have.

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Monica Bosio – Banca Intesa San Paolo

Okay. Thank you. So my first question is on demand trends in Europe. The registration data show encouraging signs in Italy and Spain, and also strong growth in Germany. So, can you comment on the overall market conditions in February? And more importantly, do you see this rebound as mostly due to a favorable comparison base, or do you see this rebound as an effective growth of the market? So this is the first question.

The second is on India. According to the SIAM data, both industry volumes and your performance were strong in January, has this positive momentum continued in February?

And the third question is on the cash flow. The net debt increased materially for the third consecutive year. Should we expect a material improvement in free cash flow generation in 2026, and if yes, can you elaborate more on this? Thank you.

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Raffaele Lupotto – Executive Vice President, Head of Investor Relations

Okay, Monica. So, I take the first two questions. So, concerning Europe, you are right, several countries posted very positive demand trends. So overall, according to our data, the market grew around 9% in January, and even more in the main countries in February, probably in the region of 13% with positive results spread across, I would say, almost all countries. Clearly, there is a favorable base effect, but I would like to highlight that some of those countries are not just above 2025 level, but have demand already at 2024 level. So there is an easy comparison base, but the trend is positive.

Be careful because again, January and February are not super relevant in terms of market trend and in terms of total volume sold. With that said, going to India, in this case, yes, I can confirm that market trend and Piaggio volumes that are published are very positive. We end up in according to SIAM data in January with a strong growth in light commercial vehicle where we gained also market share, and this morning FADA, F-A-D-A, released the data from the month of February, and Piaggio in light commercial vehicle grew in the region of 33%, so outstripping market trends and gaining again around 2.5% of market share. At the same time, also volumes in two-wheelers were very positive in January, where we grew around 13%, and also positive in February, according to FADA, because we grew around 22%-23%. So, overall, the situation in India is very, very positive. And then I leave the floor to Alessandra.

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Alessandra Simonotto – Chief Financial Officer

About the cash flow, Monica, good evening, we can say this. The first thing is that in 2025, we have another absorption for EUR40 million, but it is lower than the EUR100 million that we had in 2024. In this EUR30

million, you have to consider that we have paid more or less EUR18 million for the new investment in Mandello Del Lario, so therefore, all the new investment that we did there, and this is so a peak with a specific investment that we will not have during the next year, during 2026 and 2027. So this will not affect again our cash flow in the next future.

On top of this, if you have seen our balance sheet and the analysis we have put in our slide for the net financial position, you can see there that both the inventories and the trade suppliers are lower than last year. The inventories go down for EUR50 million, and the trade payables are lowering of EUR95 million. So in any case, this lowering of these figures is something that has affected the net financial position in 2025, but that helped us to get a better result in 2026.

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Monica Bosio – Banca Intesa San Paolo

Okay. Thank you very much. And if I can, can you share with us an indication of the net debt the Company is targeting for 2026?

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Alessandra Simonotto – Chief Financial Officer

You know that we have already published the consensus for 2026. I can say that the consensus is more or less the target we have.

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Monica Bosio – Banca Intesa San Paolo

Perfect. Thank you very much. Very clear. Thank you.

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Alessandra Simonotto – Chief Financial Officer

You are welcome.

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Operator

Next question is from Emanuele Gallazzi, Equita.

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Emanuele Gallazzi - Equita

Yes. Good afternoon, everybody. And I will say three questions from my side. The first one, starting from, let's say, the guidance or the indication on 2026. You are confirming the indication or the consensus for a net financial position, but basically, if we look at the revenues and the EBITDA, the consensus is pointing to revenues up mid-single digit and EBITDA up high-single digit. I don't know if you can provide a comment on this, and how should we think about the first quarter? In other words, do you expect a strong start of the year, so a strong first quarter?

The second one is on Europe. Thank you for the indication about January and February. I would like, by the way, to know which kind of, let's say, strategic initiatives are you implementing to recover market share, specifically on the scooter, if it is a matter of a new product or a change in strategy on the pricing side? And the last one is if you can provide an indication or an idea about the factoring level in 2025. Thank you.

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Alessandra Simonotto – Chief Financial Officer

So, about 2026, we believe that the margin that we are indicating in the consensus is the ones that we will work with for all this year and also for the first quarter. So there is no difference between what you have published and what we are expecting now, in this moment. About the factoring, if I remember well, the amount is more or less EUR116 million at while at December 2024, we were at EUR126 million.

And there was another question about the marketing initiative. And so far, if I remember well, well, I believe that you are seeing on newspaper, TV, all the social media what we are doing both for Vespa, for Aprilia, and so far the initiative in Europe are going on the market, on the field in this week and in the next week. And so you will see what we are doing about it in the next days.

About the price, I can confirm that the policy of the Group, just like Mr. Michele Colaninno, our CEO, has confirmed in all the other conference calls we had during 2025, we will not, we will be not at price war, so we will not change our philosophy about price.

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Emanuele Gallazzi - Equita

Very clear. Thank you.

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Operator

Mr. Lupotto, there are no more questions registered at this time.

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Raffaele Lupotto – Executive Vice President, Head of Investor Relations

So if there are no more questions, we can close the call now. Maybe

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Operator

Apologies. There is one more person, Davide Zappa from DZ.

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Davide Zappa – Akros Bank

I have one question from my side. Can you elaborate or give us a little bit of color on the dividend?

Alessandra Simonotto – Chief Financial Officer

Excuse me, I do not know if I already catch up your question, but as you can see, we defined together with the Board of Directors has defined together to propose to the shareholders meeting not to distribute another part of the dividend. So we have distributed only the account that we have already paid in September. Nothing more.

Davide Zappa – Akros Bank

Thank you.

Operator

Mr. Lupotto, there are no more questions registered at this time.

Raffaele Lupotto – Executive Vice President, Head of Investor Relations

Okay. So, if there are no more questions, we can close the call now. So the call is over. If you need more info, as usual, you can call me later. Okay? Thank you.