

# Piaggio Group

## H1 2025 Financial Results

### CORPORATE PARTICIPANTS

MICHELE COLANINNO – CHIEF EXECUTIVE OFFICER

MATTEO COLANINNO – GROUP EXECUTIVE CHAIRMAN

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### Operator

Good afternoon. This is the Chorus Call conference operator. Welcome, and thank you for joining the Piaggio 1<sup>st</sup> Half 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, Executive Vice President, Head of Investor Relations of Piaggio. Please go ahead.

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### MANAGEMENT DISCUSSION

#### Raffaele Lupotto – Executive Vice President, Head of Investor Relations

Yes, hello. Thank you very much. Hello, everyone, and welcome to the first half 2025, financial results conference call. The conference call will be hosted by Michele Colaninno, Piaggio Group Chief Executive Officer; and Alessandra Simonotto, Piaggio Group CFO. Today, we have also the pleasure to have with us the Group Executive Chairman, Matteo Colaninno.

You can access the slides supporting this conference call on the internet at the Piaggio Group website.

As you may expect, before starting the presentation, I need to remind you that during today's conference call, we may use forward-looking statements subject to risk and uncertainties. And I would like also to mention that today we have also invited the press in a listen-only mode.

With that said, let me turn the call over to our CEO, Michele Colaninno.

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#### Michele Colaninno - Chairman and Chief Executive Officer

Yes, thank you, Raffaele. Good afternoon, ladies and gentlemen. Thank you for joining the conference. Well, just a few words because I don't have to go deeply in numbers, but just to tell you what happened in the second quarter of 2025.

I have to point out two main things that I think are very, very interesting for analyzing the Piaggio numbers that are the gross margin and the EBITDA. The gross margin of 30.4% is one of the best that we have achieved in the Group, and the 17.7% EBITDA in the second quarter is still one of the best that we have achieved in the Group.

It means that the capability to react to the situation that globally is affecting the consumer business everywhere, wars, tariffs, exchange rates, and all the problems that we have to face daily, those numbers show the capability of the group and the people all around the world to maintain a certain financial stability because when you have those numbers at the first level after, with the declining revenues given declining markets quite everywhere, especially Europe, U.S., China, I think it is a good result for the Group.

And also, the fact that the net financial position has not worsened compared to December '24 with low revenues, it means that we are managing properly the group, the costs, and the margins without entering any price war with competitions. As you know, we are pushing a lot on our brand equity value around the world with all the brands that we manage, both in two-wheel, three and four-wheel vehicles, and that's the strategy that we want to maintain so to have a differentiation compared to other brands that are not only European brands but are also Chinese brands, Japanese brands, and Indian brands.

The work on cash to maintain the level has been satisfactory in my view, because it opened the window to have the possibility to maintain the investments for the medium term, both in products and technology, and development of new assets that we are now discovering such as the robotics division in Boston. This is just what I have to point out, given the fact that for the remaining part of the year, as I said during our Board of Directors, we are seeing a low signal of recovery in Asia, especially Vietnam and Thailand, and the definitive finish of EURO5 destocking in Europe. It means that with that 30% margin for the second half of the year and maintaining it, it's not so easy, by the way, but we are working on it every day.

I'm not telling you that I got a positive scenario, but I got not a negative scenario, so something is moving. Obviously, consumer products such as what we are selling to our customers, needs a certain stability. So, I hope not in a worsening situation, geopolitically speaking, so far, and also that the tariff wars is at the climax of the problem. We are managing the tariffs, so I think that we can balance it, the U.S., trade balance, and 15% tariffs with other markets, so I'm not too much worried of this. It is a problem, obviously it is a problem for every company exporting to U.S. But given that we have a presence all around the world, we can mitigate the 15% of cost increase in our products.

I think, Raffaele, this is just what I have to say. The numbers are clear on the slides, and revenues are declining by roughly 13% in the first half of the year. Its Europe going down, U.S. going down, China going down, still going down. India, just to have a showcase of what's happening on the three-wheel market in India, that the electric vehicles are entering the market. They are subsidized by the government, so the customer is buying electric three-wheel vehicles because of the subsidy. We see every time that the government cuts the subsidies that the market goes down immediately, so there's a direct reaction and direct relation with the subsidies. It's a low-margin business, so we don't have to push too much on launching electric vehicles, given that also the thermic ones are good enough for our business in India.

The two-wheel vehicles, I told you in the last conference call, they are starting to enter with new vehicles in the two-wheel scooter market in India. It's a huge market, and GDP per capita is helping us reaching the target price that we have in mind, given that it's slowly growing every year because India is growing every

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year, and so now we are able to face, with some precise scooters, the competition. I have to say this is what I have to point out on the numbers of the second quarter. Then, obviously, Q&A are more interesting usually than what I have to say.

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**Raffaele Lupotto – Executive Vice President, Head of Investor Relations**

Okay. Thank you very much. We are ready to start the Q&A session. Thank you.

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**QUESTION AND ANSWER SECTION**

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**Operator**

This is the Chorus Call conference operator. We will now begin the question-and-answer session. (Operator Instructions). The first question is from Davide Manganiello from Intesa Sanpaolo. Please go ahead.

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**Davide Manganiello – Banca Intesa San Paolo**

Yes. I don't know if you can hear me. Good morning, everyone. I'm on behalf of Monica Bosio, and thank you for taking my questions. So, my first question is regarding your performance in Europe.

Europe looks to be the primary drag on overall results, and you also appear to be losing market share in the region. Can you comment on your current market share situation in Europe versus last year and anticipate us how many vehicles does the company plan to restock in third quarter? Can we finally expect in third quarter a positive top-line growth and sequential recovery in market shares?

And then my second question is about India. Here, as well performance has been very poor, and according to SIAM data your market share in LCV segment continues to decline. Do you expect any improvement going forward, particularly in light of the new product launches mentioned during the last conference call?

And finally, do you expect any savings from the logistic costs by year-end? Thank you very much.

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**Michele Colaninno - Chief Executive Officer**

Thank you for your questions. Well, starting from market share, you pointed out correctly that we have lost 1% overall Europe market share compared to last year. This is due to mainly the destocking of EURO5 compared to 2024. And then we don't see any product problem, product-wise, I don't have any problem to tell. We took the decision not to discount our products, so to maintain the gross margin. So, that's why we are performing very well at the EBITDA level and managing all the costs in Italy for the production for Europe and USA.

On the third quarter, if I expect a better market share than the second one or than the first half, it could be because we have finished the destocking of EURO5, definitely. Yes, we have some 10- 20 vehicles

somewhere, but no problem. And I hope that all the products that we have launched, so the new bikes that we have launched, will take a bigger and bigger space in the market.

For what's happening in India, well, India is a market where, as I told you, electric vehicles have been introduced, low-margin vehicles. We are not pushing too much. On the thermic overall, we have lost slightly zero points in some states of India, but we have quite the same market share of last year. India is a growing country, so I don't expect the market to decline. It's a market where the money for purchasing vehicles, such as our vehicles for commercial and business that are the three-wheel vehicles, are very linked to the price positioning.

So, the subsidy is helping the electric one, not the thermic one. We have launched new vehicles starting in July, so I think and I have a clue that in the second half of the year, we can increase our revenues over there. Given that, India has performed better than last year in the first half of 2025. So, when you have a country that performed better than last year, I'm very happy. Okay, we have lost some zero point in market share.

The third question, well, logistic cost, I'm not showing any reduction. We have just some shipping company that now is entering the Suez Canal. The other are continuously going around Africa, so for goods and components coming from India and Southeast Asia, the situation has not been better than the previous months. This is given to the war, so there's nothing we can manage. To be prudent, we consider the logistic cost continuing to be like the first half in our projection.

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**Davide Manganiello – Banca Intesa San Paolo**

Thank you.

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**Niccolò Guido Storer – Kepler Cheuvreux**

Good afternoon, and thanks for taking my question, which is about commercial vehicles in EMEA and Americas. I see that year-to-date, the performance in volume terms has been slightly positive, while in revenues terms, it has been severely negative. So, if you can elaborate on why that and what we can expect in the remainder of the year, if any changes to this trend is on the horizon. Thank you

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**Michele Colaninno - Chief Executive Officer**

Thank you for your question. Well, as far as market share and business of light commercial vehicles in EMEA and in America, the market is going down. For every competitor, it's going down. We are showing a good market share in Italy. We are thinking to organize better, and we have to do this job, the European organization to do a better job, especially in Germany, Spain, and France.

As you know, we have just launched the electric Porter in Europe, which is a very good vehicle, very intelligent for big towns and downtowns. That's our mission. You have to consider that European markets are not the only one that we serve. With the four-wheeler, yes. With the three-wheeler, we export also from India through Europe in Latin America, and the business is going well. So that's why you pointed out the numbers that you told us.

I think that those kind of vehicles, especially for Europe and the situation that we are foreseeing for the next decade, where every city,- every big city has to intervene to reduce traffic jam and reduce CO2 emissions. The electric porter, in a long scenario, so not tomorrow morning, is the right vehicle. And frankly, I didn't expect the quality to be so good, and the characteristic of the vehicle is -- we think, is the right vehicle for downtown.

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**Emanuele Gallazzi - Equita**

Good afternoon, everybody. I have, let's say, three questions. Well, the first two are on Europe. Starting from the volume side, I know that it is a little bit difficult to read numbers with the EURO5+, but when we look at the data for registration across Europe in the first semester, there is basically a diverging trend between Italy and Spain, resilient, I would say, and on the other hand, a weak performance in France, Germany, and the UK, which are all down double-digit. How do you explain this trend across Europe?

The second one is still on Europe is on pricing, because you said that you are not entering in a price war with Asian players. But I'm just trying to understand if you are seeing like a more aggressive commercial policy from your Asian competitors. And the last one is on the second half. First of all, thank you for the comments on the second half. But I'm just trying to understand, because if I look at the consensus right now, it is pointing to an implied 10% growth in revenues and EBITDA in the second half. Is it your, let's say, best case scenario at this stage?

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**Michele Colaninno - Chief Executive Officer**

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So, Europe, as you said, markets are down. And I think that markets are down not because the customer is no more interested in two-wheeled vehicle, let's say, but because the consumer attitude is to postpone the buying of the vehicle. It's not a question of the market is declining because there's no interest. And so, the product is old. The product is still good. The expectation that we have is that markets will do better in the future, but we have to see, because this is what we analyzing every time into the group, especially in Europe, people are waiting, nothing else, because every day they read on papers about problems, about wars, about interest rates, about the money they have to spend for the house, about the services, about energy, and that's a cost for a family. So, they are just not for the brands that we manage, for instance, because Vespa is not affected, let me say, too much by these aspects, but if I think about commuter scooters from A to B, easy, downtown, so the Piaggio brand, for instance, it's our brand for commuting, it is a little bit affected by this situation of postponing the acquisition of the vehicle.

Second question was about pricing, okay, pricing from Chinese. I'm not worried about pricing from Chinese, well, obviously, they are growing in quality, so I will never say they are not producing good vehicles. Luckily for us, we have brands that are of a value higher than other competitors, and so what we are doing in our investments, especially in marketing and dealers, is to maintain and to invest to maintain this equity. What I think we have to manage and that's why we are in a good position, I would not say better with others, but a good position with the dealer's distribution network, with the Motoplex project that is able to display and show a de facto multi-brand shop and the multi-brand is owned by the Piaggio Group. So we can give to the dealers and at the end of the day to the customer a proposition that is quite unique. I think we are in a good position with our product range, we are in a good position of pricing compared to the competition.

What we have to maintain is the good relation with the dealers, because Asians and Indians are entering the dealer distribution network in Europe, with commercial policies that are somehow difficult to be matched by European producers on the OEMs. What we have is that we have a good relation with our partners, we have a multi-purpose, a multi-brand activity, and the Motoplex is enough for an entrepreneur that works with us to manage their business.

Well, the consensus of the second half, it's difficult today to have a brutal and objective projection for the second half. What I can tell you is that for the third quarter we are seeing and we can see numbers at the top line that are better compared to last year. This is what we are forecasting, obviously revenues are not sufficient, because when you do the revenues then you have to maintain the 17% margin on EBITDA that is it's a tough work every day around the world. But compared to last year quarter, I can tell you that we expect to do better.

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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**

Okay. So I think that the call is over. Thank you very much for attending the call. If you need further info, you can call me later, as usual. Thank you very much. Bye.