

Piaggio Group

Full Years of 2024 Financial Results

CORPORATE PARTICIPANTS

MICHELE COLANINNO – CHIEF EXECUTIVE OFFICER

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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 2024 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

Raffaele Lupotto – Executive Vice President, Head of Investor Relations

Thank you very much. Hello, everyone, and welcome to the full year of 2024 financial results conference call. Today's conference call will be hosted by Piaggio Group Chief Executive Officer, Mr. Michele Colaninno; and Piaggio Group CFO, Alessandra Simonotto. Today, we have also the pleasure to have with us Piaggio Group Executive Chairman, Mr. 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 based on Piaggio's current expectations and projections about future events. By their nature, forward-looking statements are subject to risks, uncertainties, and other factors that can cause actual results to be materially different, as mentioned in the safe payable statements included on Page 2 of today's presentation. Also, I remind you that the client has been invited to participate in this conference call in a listen-only mode.

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

Miche Colaninno - Chairman and Chief Executive Officer

Thank you, Raffaele, and good afternoon to you all, ladies and gentlemen. Thank you for joining the Piaggio conference call today.

-Piaggio Group: FY 2024 Financial Results conference call -

Let me say even if today is not the perfect day to speak about numbers, given what's happening around the world, especially due to the geopolitical situations that you know perfectly.

I would like to say and point out that 2024 for Piaggio Group, as pointing out good results in terms of EBITDA margin reaching the best-ever percentage on net revenues that we ever achieved. And, at the same time, an increase in gross margin percentage up to 29.2%. This is given by a strong management of the productivity around the world by all the teams that everyday work in our company and with the attention of the cash flow generation and operating cash flow.

As far as revenue is concerned, the declining that we have pointed out is the consequence of the strategy that, you know, we started at the beginning or at the end of 2023, destocking our dealers' network around the world, especially in Europe but not only in Europe.

Giving you a number, the value of the destocking has been around EUR 110 million. It means that we have a beginning of '25 that is quite satisfying considering the healthy of our dealers and you know that I am particularly interested in having our partners making money. With a solid and healthy dealer distribution network, we can continue with the selling strategy following the markets that, as you can go up or can go down, but we don't have the necessity to stop deliveries because dealers are affected financially. And dealers are entrepreneurs having high interest rates to pay as in our consumer finance situation that is a little bit frustrating because of interest rates, but I'm positive about their sustainability in their future.

Another important key aspect of the 2024 results is the debt. The debt has arisen as a consequence of the destocking, it means that we have inflow of less value compared to the stock of EUR 110 million roughly million. We have increased our CapEx in our factories, our plants and our iconic brands and products because, I think, that we have to fill the gap with the worldwide competition in some medium-range bike and we have done the job. We have to renew the line in Europe given to the changing legislation, both for two-wheeler vehicles EURO 5 and EURO5+ and light commercial vehicles, the Porter. We are investing and we will launch in April our first-ever 4 wheeler electric vehicle in our group.

What I expected is that: the situation that we are having around the world, let's say, not manageable by us and I mean wars, I mean Swiss canal, I mean trade war and probably will arise around the world. I mean interest rates that are slightly going down, all aspects that are affecting the consumers business, let's say, the premium consumer business around the world, not just in our segment but as we see on papers, it's spreading on major business that are in the upper premium or luxury business.

The Asian situation is not bleeding as it was in the 2024, it's starting recovering a little bit in Vietnam and Thailand. It is positive in Indonesia, still positive in Indonesia. I'm satisfied our Indonesian market in 2024. It's still flat or bad in China and this is for every business related to consumer business.

As for as India is concerned, I'm satisfied we've done a good job, we can do it better. We will do better in the medium-to-the-long term because we will enter new markets on the two-wheel vehicles. So not just the Vespa and the previous medium-range bikes, but also other scooters for mobility. We have electric vehicles being sold on the three-wheel market, we have new vehicles that are coming out in the next and coming months in India, especially on the light mobility of goods so the 3-wheel vehicles. So I'm positive in India.

Europe, it is stagnant. The beginning of the year is reflecting the change in Euro 5+ legislations, that's normal, nothing strange in the market. We have some adjustments in stocks given that the dealers cannot sell more Euro 5 and they have to sell Euro 5+. To be pragmatic, we decided that the inflow and the dell-in of all new vehicles Euro 5+ will be not suddenly done by Piaggio Group, we have begun, at the beginning of 2025, with the Euro 5+ vehicles, we will continue until the end of March, substituting a sell-in of new vehicles. We are taking a low page selling for Euro 5+ respecting, obviously, all the obligations that we have from the laws.

United States has been affected in 2024, given 99% because of high interest rates. We don't have major problems there. It's a big market for us; it's an interesting market for the medium-range bikes. We are satisfied of the new Aprilia bikes that we are introducing that we have introduced, and I think that we need some stability. That's what I think given that entrepreneurs cannot substitute politicians and policymakers, but I want to be positive, let's say, and I hope that our policy makers will find a solution for the situation that we are seeing since the beginning of 2025.

As you can see, we have a slightly decline in inventories that is positive, it's not growing, let's say, even though we have longer period due to the Suez Canal that impacts working capital and inventories.

It seems that in June, if nothing gets worse, the situation can be positive in that side. Ships starting to enter the Swiss Canal and not being obliged to go around the Africa with Europe coming from Asia, I mean.

As you can see, we have a decline in commercial payables, and that's positive to work properly with our suppliers because we work with our suppliers, and we have to work together. We are not enemies, we are friends.

As I said, we have a destocking of EUR 110 million, increasing CapEx for EUR 20 million and operating cash flow positive of around EUR 200 million. This is very briefly what we are pointing out in our slides that, as you can see, are also showing in our product range and our iconic brands that we are selling around the world.

As you can see, we have approved a dividend, and that's positive, even if it is reflecting the reduction in net income, I think that shareholders will be satisfied about the payout that is not increasing, it's maintaining stable, and we are managing also return a positive return on stock investments. Given that the percentage of the total amount of the dividend is roughly 10% on the actual value of the shares listed on the stock.

That is to say that we are continuously investing in our product. I don't see any necessity to reduce investment page. We will have, for sure, a slight reduction this year given that the electric porter as entered the market and that all the homologations are finished. So, in the next years, I for see a declining necessity of capital expenditure in new products as far as in production facilities, where, as you know we are totally renewing the Moto Guzzi house in Mandello Lario, and that's one of the reasons of increasing in CapEx. And we are investing in safety processes for our workers. And obviously we are investing, as you are aware of, in electrifying our engine production in Italy also through the possibility and the opportunity given by the recovery plan that has been delivered by European Union in the last years. So we will be investing in these electrification of our product brand without any hurry. As you know we decided not to rush too much in electrify our vehicles because we for saw something that would have taken more period of time compared to what is in the future of the electrification of the world.

I repeat and I point out that two-wheel vehicles are not under the legislation of any reduction of CO2 emissions and the obligation to convert all the product range, because the electric wheel market as a weight of just 0.5% of CO2 emissions all over the world compared to the total and overall emissions of CO2.

The ratio between net financial position and EBITDA is still under control, below 2%. So I'm not worried about the number because we know why we have this increase in debt, destocking and investments. So it's, let's say, momentum that we will recover in the coming years, and we will continue to push on productivity, both investments and return on investments and hoping to have, let's say, positive vision for the medium- to long-term period.

What's happening around the world, I don't have to tell you, you know everything. The market now is overall down in every single listed market because the trade wars between U.S., Europe and China. Let's hope that

they will find a solution because I am not in favor of these situations, given that the policies about Paris, it's a temporary relief perhaps for some economy, but in the medium term is a disaster.

So let's see what happens. Just to give you a brief description of what at the upper level where and the Chairman in Brussels, we are discussing is that we don't need any tariffs, between Europe and U.S. We are in favor of good competition, fair competition and even if the balance between U.S. and Europe on our vehicles is quite flat. It's the same. We don't have any need of tariffs import or export. Let's hope that also United States will take the same direction that we are aiming. And that what I think it's a good way to manage the business instead of having unfair competition.

The maturity of our debt is safe. We have roughly four years of that profile. We don't have any risks here. We don't have any in next year. We are very happy about the situation of our relations with banks and bondholders. This is a fact, fortunately or not fortunately there is strategy. We have secured our debt profile. We can concentrate now on we're doing our day-by-day job.

Sell-out is the priority, so to have a consequence of less increase in revenues and the consequence of increasing revenues is everything that is below revenue.

Raffaele says very briefly what we decided today during the Board of Directors, and we the numbers and this is what we have achieved last year.

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Raffaele Lupotto – Executive Vice President, Head of Investor Relations

Thank you very much. With that, we are ready to start the Q&A session. For conference call sake, please limit the number of question to a maximum of three per person. Thank you very much.

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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).

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Monica Bosio – Banca Intesa San Paolo

Good afternoon, everyone and thanks for taking my questions. I will limit to three. The first one is on the destocking process and the situation in terms of revenues in the western countries. So if I understood well the company lost EUR 110 million revenues due to the destocking, which according to my math, was in the range of 24,000 vehicles. How much of these revenues, is company going to recover in 2025, given also that the sell-in in the first part of the year will be weak, if I have understood well. Any indication could be useful just to address if revenues in Europe will grow low single digits or will keep flat or whatever?

The second question is on the CapEx. I understood that it will go down, but I understood also that it will go slightly down in 2025. Any indication could be useful on this side also on the free cash flow generation that the company expects for this year?

And the very last is on the production, the company has in India for two wheels. Are you going to manufacture scooters in India and then maybe to export these scooters into Europe? Is this strategies that you're going to pursue?

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Michele Colaninno - Chief Executive Officer

Thank you, Mrs. Bosio, for your questions. Let's start from the destocking process. I think that we have quite finished in destocking process. At the beginning of the year, let's say, January and February, we have last way and page of destocking in Europe but the major, the 95% of the process has been done in 2024.

Now if we have the possibility to start stocking again, it just belongs to market. If market growth is what we expect because we expect some growth around the world, we have the possibility to increase also the stock because we have a ratio that we want to maintain that ratio to sustain the dealer's profitability.

So it basically depends on the markets. We hopefully will increase some market share on our vehicles. But what I can tell you, is that 95% of the work has been done in '24. The remaining 5% is just a normal management of the dealers, nothing serious, nothing that will need us to break the system and stop selling the vehicles.

CapEx yes, it's slightly down. We have to finish the Mandello Lario investment, and we have to improve our electromobility investment in Italy, because I am convinced that it's intelligent to manage the, let's say, the heart of the vehicle that is the engine and the software as you know I told you many times in the past. We will invest in this technology. I am totally convinced that in the world of today, any company, and we are doing that must invest in technology. If you do not invest your money in technology, you will lose the opportunity to attract customers that are interested in technology. We are investing in software, we are investing in capability for verticalization of some components that we think are crucial for our engines and our vehicles to be ready whenever the European and, let's say, the Western countries will ask for this kind of technology.

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We know that Asia, especially China, is the only market that is pushing on selling electric vehicles. But I have been in Beijing in the last 20 days, I've been there one week to understand what's going on. I can tell you that China is leading on exports, they are investing a lot in technology, we know that it's a technology that we can match. It's a technology that we are investing in, but the market is still a marginal market. A marginal market means that the breakeven, let's say, the breakeven of the volumes, you have to achieve on these cheap vehicles in China is 2 million averages. It's not our strategy to go into a marginal business.

We are not in China, we are in Europe, we have to sustain our margins possibly not increasing prices and is what we are doing. We are not increasing prices. We are just slightly increased due to Euro 5+ homologation but nothing serious, we don't want to enter the Chinese marginal market.

India is a market that is very interesting for two-wheel vehicles. It starting to enter a value that we can be competitive in, so we will localize, produce and sell India on India. Some export markets are interesting for sure. It is not for Europe; it is not for the United States. Just to give you the view that I have on the country, it means that Europe and United States will be supplied by Italy, 95% of the sell-in that we have in those markets. We continue, and I think, look at this that the strategy that we took many years ago to produce and sell where we have production facilities, it's demonstrating it was a good strategy.

Because if we enter in a tariff war, every continent will increase their tariffs and imports, but we decided to have production facilities supplier base that is good and the market that we supply from the market that we where we produce.

You know that Asia is supplied by Vietnam, Indonesia and China. India and surrounding countries that it's the export possibility that we have in surrounding countries and perhaps the African country, it's supplied by India, Europe and United States will be supplied by Europe. The strategy correct, is it's demonstrated that we took the right decision. Now, it's our job to make that the strategy transform into Sell-in.

And I have to say sorry, I forgot to say this, but it's very important to me that I'm satisfied of the people that are working in the Piaggio group around the world. They've done a good job; we have done a good job. We have done together a good job because being resilient that's a word that we have to stress in 2024 that has been characterized by many, many problem of big magnitudes that was not forecasted, we can do nothing. The fact that we would be we have been able to achieve not the budget that we had approved in January '24, but the numbers that we have, even it is reducing compared to last years are quite solid numbers. It is the best third ever year of the Piaggio group and the best ever on the percentage of EBITDA that since 2006. That's why I'm satisfied. If you ask me if I'm satisfied about revenues no, but I cannot do nothing to stop the war.

Emanuele Gallazzi - Equita

Hi, thank you for taking my questions. I have basically two questions. One is on the dealers; you mentioned some measures to support them including the stocking and also the better credit condition. But just looking at Europe, what kind of feedback are you getting from them about the Euro 5+ products and the overall market condition there.

And my second one is still on the net working capital because we have seen give or take, EUR 50 million cash absorption in 2024. I was just trying to understand what do you expect for 2025, should we have to expect inventories down and also payables down?

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Michele Colaninno - Chief Executive Officer

Thank you for your question. Dealers, obviously we have shown them at the EICMA fair in Milan, what we would have done in the 2025 product range. They are waiting to have the especially medium-range capacity bikes. They are positive on that market; they are happy about the Vespa brand. Let's say that they are not happy, but they are entrepreneurs like me. They're not even paying 8% of the bank for doing that business. And but that's life. We pay interest, they pay our interest. They have not still the same confidence, let me say that they had in 2022 or 2023, but that was an exceptional momentum of our market.

From the product line, Euro5+ European dealers, they are satisfied, and they think the product are okay. The destocking has been intelligent, it is a way to work together with them. It's not that we want to sustain them. I continually tell them that they have to do their job like we do our job. So that we have to work together to an increase sell-out. But what we have done is it has been necessary because we forecasted that would have been a tough year in 2024 in Europe, mainly due to the legislation changes, but also due to factors that you cannot manage without having any impact on your business case. The inflation rates in the previous years and the interest rates, there are the two major aspects that affect every business that has relation with consumer.

I hope that we will find well that we not go back to the problem that we foresaw in 2023 and 2024. If the situation will continue like this and given that they are satisfied about the product range that we have given them, I don't see any decline, let's say this. We know that Europe is not a big growth market.

It's quite stable. Yes. It's plus 2%, minus 2%, minus 5%, plus 5%, but it's a rich market. The price and the margins are very good for us and we are satisfied about the products that we are introducing from now to March. Net working capital, I would leave to Alessandra our CFO, to explain you the major issues that we had to manage.

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Alessandra Simonotto – Chief Financial Officer

The major issue that we had during the year was more or less the first one the Suez Canal as we already said before, 30 days more of by around the Africa, more or less cost to everyone that work on this EUR 20 million, more on the inventory. This is the first factor, the net working capital.

The second one is the minimum time that we have given to our customers, in a period in which they have to work on destocking and have the de-stocking . We have given them two or three days more as lower credit time And this is cost to Piaggio and our cash flow 10 million euros. Also, what t you can see in our cash flow, is the slowdown of the payables.

Also, on this, we have worked with the supplier in a period in which the cost of that is higher than 2022 or 2021. In the cases in which we consider important to support the supplier. We have helped them with a reduction of the payments term and which is more or less the impact on the working capital for more of that EUR 40 million This is a picture that we put on the table when we talk about the most important effect.

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Niccolo Guido Storer – Kepler Cheuvreux

The first one is again on inventories. I see basically that even if I took off the EUR 20 million you were mentioning of Swiss Canal impact days of inventories are still much higher compared to your historical average. Is there any room for further improvements in 2025 onwards and if not, why?

My second question is on gross margin. What are your expectation going forward, assuming no big changes in the country mix. Are you seeing any particular cost item which is trending against you? Or you consider that everything is under control.

My very last question is on Southeast Asia. At the beginning of the call you said that markets are in a sort of stabilization phase, bottoming out phase, but over the past few quarters, we have seen a difference between overall markets and the premium segment. So can you give us any signs of how the premium segment of the market is faring so far. Thank you.

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Michele Colaninno - Chief Executive Officer

Thank you, Mr. Storer. Yes. Starting from the inventories, yes, I think further improvement in the year. The 2024 situation has been affected by the delay on delivery of logistics given to the Suez Canal that has pushed us to have a slight increase in what we have bought, given that we take a longer period due to the situation.

I'm not worried about this. We are working aggregate to reduce the level of inventories. I think that I can say we will have improvements. If you're asking this, I can confirm that.

As far as gross margin is concerned, while confirming the 29.2% of 2024, is what I can tell you we're working for. I see some issues, but it's more local issues, if you take the electricity costs in Italy, if you take possible

tariffs that can affect the business, if you take the cost of the debt that is affecting the business, but it's not affecting the gross margin. But overall, I don't see major risks even because we have taken some opportunities during 2024 on raw material prices. We have taken some opportunities in some exchange rate with some international currency. We have fixed what we could fix to maintain the actual level of gross margin.

Southeast Asia, during my trip in Southeast Asia last month, I have to tell you, we could do better in Indonesia because Indonesia has not been affected until now of the China crisis. So, with the brand that we have, I'm positive that we can do better results over there.

I'm not positive on China, but I can tell you that the only positive picture that I have in front of my eyes was cranes around Beijing. It means that they are starting to push a little bit on real estate. And rather than me that the problem of real estate in China is what affected the market of banks and consumer business. If they for see a recovery, even if it is a slight recovery in real estate markets, it means that the consumer markets can restart, and these affected especially premium and luxury markets in China. So they told us, they see some shine at the end of the day, they are not fully positive on the, t it means, other people we spoke with bankers that are entrepreneurs, that are real estate businessman, but the policymakers, let's say, told them, we have not to belong too much to export because we do not know what happens in the world. We have to push for our internal market. And you know that does mean that China is a place when the decision is taken, everyone, everybody follow the decision. So that is the only positive situation I can tell you, even though the market has been struggling in 2024, and we are working, especially with the Vespa brand all over the Asian markets to push on the brand image that we have over there.

So to enhance our brand visibility, not just on the vehicle, but also on the lifestyle that is the Vespa soul, let me say, of the brand. Without any intention to go to Paris *haute couture defiles*, but the brands, especially in Asia, can sustain an enlargement of the value, let's say, the value of the brand. You can take it as a market an opportunity instead of opportunity for revenues, but I think that we can do some revenues on that, but this is not included in our budget and forecast. Let's say, we take it as a marketing opportunity. We have created these pop-ups around the Asia markets for the 946, EUR 15,000 value Vespa Snake, the Lunar calendar edition. We have done these pop-ups in Beijing, Jakarta, Indonesia, Singapore and Hanoi and let me say they started since January 1, and they are going on to, let's say, middle of March to sniff the market to explain to our customers what we do to show them the value of our brand and to show the quality of our brand. It is totally different compared to if you buy a 300 cc scooters just to go from A to B. This is a strategy that you guys all know and that we are pushing. And I think that the return will be positive. It's not tomorrow morning because the financial situation is not for, I spend value in the Asian market, but we can stop the enhance the value of our brand.

Bikes are different, so we don't have any production of bikes for the time being in Asia. The best of brand and the Piaggio brand, we introduced a new Liberty in Hanoi, we launched a new vehicle that is a middle, low middle value market. It's not cheap market; it's not marginal market. It's a commuter business that is totally in line with the Piaggio brand strategy. I don't have to say that I'm positive on China and Thailand, we can do better in Indonesia, I'm slightly positive on Thailand and Vietnam because numbers are slightly positive. They're not the same of '22, but the sellout per week, it's starting to grow. New numbers, low numbers, but it's a positive momentum of consumer attitude. Let me say like this. Usually, when the consumer attitude is growing also the purchasing power will grow. They are now in a situation of having saving the money because especially in China, they are saving money. Unemployment is high but let me say that I've seen a Beijing that it's starting to innate the engines again.

Gianluca Bertuzzo - Intermonte

Hi everybody and thank you for taking my questions. You mentioned that you expect in 2025 to improve compared to 2024. The improvement you are seeking is on both the top line and profitability? Or just broadly speaking, as you expect an improvement only in revenues or an upside on profitability? And what are your thoughts around that?

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Michele Colaninno - Chief Executive Officer

Let me say that if we achieve an increase in top line, I would be very satisfied, and we are working for that. Moving further, the margins of EBITDA that is 17%, it's not easy, given the situation that we have. We are working on top line.

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Gianluca Bertuzzo – Intermonte

And a follow-up maybe on competition. What are the effects on the market due to the situation of your competitor? And are you seeing higher competitive pressure overall? Or the situation is more or less stable.

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Michele Colaninno - Chief Executive Officer

You're referring all over the world or in Europe?

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Gianluca Bertuzzo – Intermonte

In Europe, and if you want to add a specific comment to Asia Pacific, it would be helpful as well.

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Michele Colaninno - Chief Executive Officer

Asia Pacific, very low competition compared to the Vespa brand. I think that we are the best premium vehicle in the market. It has been affected by declining consumer purchasing power and attitude. I don't see any big risk on those markets.

As far as Europe is concerned, you know that we had a turbulent let's say, end of the year, given that some of our competitors has been obliged to discount up to 50% the bike, and it's a European competitor, unfortunately, and luckily that I hope that we solve the problem very soon, and it seems that they would solve the problem.

The pricing point has been affected by some hysteric situation on the dealers, not because particular situation because of destocking, Euro 5+ and some competitors that have fixed their problems enough.

Chinese are coming. They are about doing a good job. As I told you, I don't think that they can go even further in price compression in China, because they need also the internal and local markets, not just the export. But once again, we will now enter the low price competition.

We keep our value, let's say, slightly higher if you compared to other Chinese or Indian brands, given that, I think that the value of our brand is stronger than their value. If it adjusts the money versus money, they are stronger than us. But it's not a competition that I would like to have given the brands that we are managing.

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Javier Cavarria – Invexcel

My question has already been answered. It was about the competition. Thank you very much.

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Michele Baldelli – BNP Paribas

I have a question on the, let's say, not recourse factoring. I would like to know how much was at the end of 2024 the not recourse factoring that is off balance sheet? And the second question relates to the level of CapEx spent in the last year on intangible assets because I saw that the amortization on this was just 27 €m last year in 2024.

But if I'm not wrong, the investments were on average 90 €m or plus in the last five, six years. So shall we see an increase of those amortization in 2025 with the electric vehicles going to production.

And the last question relates a little bit on the trends in Q1 that we should expect if we you can give some colour because I was looking to the statistics and also to your comments, it seems like Q1 will hardly show any growth.

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Michele Colaninno - Chief Executive Officer

I would say to the second and third question, and then I leave the stage to Alessandra for during the non recourse factor. Markets, as you see from public communications, say India is positive, still positive. Europe is down because of Euro 5, Euro 5+ problems, basically. It's not because of any bigger issue on the market. It will finish; it will recover. CapEx, the intangible is research and development that we do every year. And obviously we will have a slight increase on amortization costs due to introduction of the electric porter, nothing related to 2-wheel vehicles even if we are introducing also new vehicles. So we will have a slight increase in amortization, but that's not the consequence of doing our products. Also, amortization, as I told you about the CapEx, I think that we will reach the peak in 2025, and then we'll start reducing them because we are entering now in a not necessary necessity of totalling new vehicles.

We are feeling the gap, once we fill the gap with the competition, especially in bikes, we don't have to know put on the street every year and a new vehicle. So, the -- let's say, the maintenance, let me say like this, cost and capital expenditure on vehicles that we have launched, it is not at the same magnitude of doing a totally new vehicle.

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Alessandra Simonotto - Chief Financial Officer

The factoring without recourse that we at the end of December 2024, we were at EUR 125 million against the EUR 117 million at the end of 2023. So, no particular differences. And I do not remember where the other question is about the intangible assets.

Michele Colaninno - Chief Executive Officer

Now was about R&D. Yes. We already about why we have this amount in amortization is just because we invest in R&D development.

Raffaele Lupotto – Executive Vice President, Head of Investor Relations

I think that there are no more questions. So, operator, can you confirm. Okay. Thank you, the call is over. And thank you for attending the conference call. If you need further info, you can call me later. Bye.