

PRESS RELEASE

PIAGGIO GROUP: RESULTS AT 30 SEPTEMBER 2023

Piaggio Group CEO Michele Colaninno: *"Although the global macroeconomic scenario is becoming more complex from one quarter to the next, the Piaggio Group's correct international expansion strategy allows us to counterbalance the temporary slowdowns in some markets against the favourable response of more dynamic areas. The improvement in customer perception of our brands and products around the world has enabled us to achieve very interesting margins (which we should consolidate in the coming years) and also to report a net profit of 85.7 million euro, our highest ever for the first nine months. New technologies, design and productivity are the drivers of our global growth today and above all for the future. The Group is consolidating and implementing its investments in green mobility and in ESG issues, in line with its plans."*

- **Consolidated net sales 1,626.2 million euro, steady with the year-earlier period (1,626.9 €/mln at 30.09.2022)**
- **Industrial gross margin 468.8 million euro, +9.3% (428.9 €/mln at 30.09.2022), with a 28.8% return on net sales (26.4% at 30.09.2022)**
- **EBITDA 269.3 million euro, the highest ever result for the period, with an improvement of 13.8% (236.7 €/mln at 30.09.2022). EBITDA margin 16.6% (14.5% at 30.09.2022)**
- **EBIT 160.1 million euro, +18.7% (134.9€/mln at 30.09.2022). EBIT margin 9.8% (8.3% at 30.09.2022)**
- **Profit before tax 129.9 million euro, +13.6% (114.3 €/mln at 30.09.2022)**
- **Net profit 85.7 million euro, the best-ever nine-month result, +20.9% (70.9 €/mln at 30.09.2022)**
- **Net financial position -389.2 €/mln (-368.2 €/mln at 31.12.2022)**
- **454,400 vehicles sold worldwide (490,400 at 30.09.2022)**
- **Capital expenditure approximately 103.7 million euro (+2.2%, 101.4 €/mln at 30.09.2022)**

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Pontedera, 30 October 2023 - At a meeting today chaired by Matteo Colaninno, the Board of Directors of Piaggio & C. S.p.A. (PIA.MI) examined and approved the interim report on operations for the nine months to 30 September 2023.

Piaggio Group business and financial performance at 30 September 2023¹

Group consolidated net sales were 1,626.2 million euro, in line with the first nine months of 2022 (1,626.9 million euro at 30 September 2022).

¹ The main alternative performance indicators used by the Piaggio Group, representing the data monitored by management, are as follows:

- EBITDA: earnings (EBIT) before amortisation and depreciation and impairment losses on property, plant and equipment, intangible assets, and rights of use, as reflected in the consolidated income statement;
- Industrial gross margin: net sales less costs to sell;
- Net financial position: gross financial debt less cash and cash equivalents, and other current financial receivables. Determination of the net financial position does not include other financial assets and liabilities arising from measurement at fair value, derivatives designated or not as hedges, fair value adjustments of the related hedged items and related accruals.

The increase recorded in the EMEA and Americas region (+4.3%) and India (+13.6%; +22.9% at constant exchange rates) offset the slowdown in the Asia Pacific region (-19.4%; -15.9% at constant exchange rates).

The **industrial gross margin** was **468.8 million euro**, an **improvement of 9.3%** (428.9 million euro in the year-earlier period), **for a return on net sales of 28.8%** (26.4% at 30 September 2022).

Group **operating expense** in the first nine months to 30 September 2023 was **308.7 million euro** (294.1 million euro in the year-earlier period).

The changes in the income statement described above generated **consolidated EBITDA of 269.3 million euro**, the **best ever for the period**, with an **increase of 13.8%** (236.7 million euro at 30 September 2022), and an **EBITDA margin of 16.6%** (14.5% at 30 September 2022).

EBIT amounted to **160.1 million euro**, an **improvement of 18.7%** from 134.9 million euro at 30 September 2022. The **EBIT margin** was **9.8%** (8.3% at 30 September 2022).

Pre-tax profit for the first nine months was **129.9 million euro**, an **increase of 13.6%** (114.3 million euro in the year-earlier period). **Income tax** for the period was 44.2 million euro, with an impact on pre-tax profit of 34%.

At 30 September 2023 the Piaggio Group reported net profit of 85.7 million euro, its **highest ever result for the nine-month period**, with an **improvement of 20.9%** (70.9 million euro at 30 September 2022).

Net financial debt at the end of September 2023 was 389.2 million euro (368.2 million euro at 31 December 2022).

Group shareholders' equity at 30 September 2023 was 417.9 million euro (417.8 million euro at 31 December 2022).

Piaggio Group **capital expenditure** in the first nine months amounted to **103.7 million euro** (101.4 million euro in the year-earlier period).

Operations in the first nine months to 30 September 2023

In the nine months to 30 September 2023, the Piaggio Group sold 454,400 vehicles worldwide (490,400 in the year-earlier period), and **reported consolidated net sales of 1,626.2 million euro** (1,626.9 million euro at 30 September 2022).

Two-wheelers:

As of 30 September 2023, the Group had sold 364,900 two-wheelers worldwide (-11% from 410,000 in the first nine months of 2022), generating **net sales of 1,293.6 million euro** (-3.4% from 1,338.9 million euro in the year-earlier period). The figure **includes spares and accessories**, on which turnover totalled **123.9 million euro** (+5.7% from 117.2 million euro in the first nine months of 2022).

Turnover on two-wheeler sales rose by 5.1% in the EMEA & Americas area, with very healthy performance on the **Italian market (+13.2%)**, followed by the **American market (+5.4%)**. Sales slowed in India and the Asia Pacific region.

On the European market, the Piaggio Group had a 23.1% share of the scooter market in the first nine months of 2023, **confirming its leadership position**. On the North American scooter

market, its share was 29.5%. In North America the Group is also working to consolidate its presence on the motorcycle market with the Aprilia and Moto Guzzi brands.

Highlights in the **scooter sector** were the excellent sales performance of the **Piaggio Beverly and Piaggio Medley** high-wheel models, and the double-digit turnover growth for **Vespa** scooters on Western markets.

In **motorcycles**, there was a **significant market response to the new Moto Guzzi V100 Mandello**; at **Aprilia**, the new 660cc engine demonstrated its outstanding versatility by taking **Jacopo Cerutti to victory in the Italian motorally championship** on the **Aprilia Tuareg 660**, while the **Aprilia RS 660** sportsbike was a protagonist in the Twins Cup category of the **prestigious MotoAmerica championship**, with two riders reaching the podium in the general scoreboard.

Commercial vehicles:

In **commercial vehicles**, the Piaggio Group reported 2023 nine-month sales volumes of **89,500 vehicles, up 11.4%** (80,300 in the year-earlier period), with **net sales of 332.7 million euro, up 15.5%** from 288 million euro at 30 September 2022. The figure includes **spares and accessories**, where **turnover totalled 45.7 million euro** (+2.7% from 44.5 million euro in the first nine months of 2022).

At geographical level, the **Indian market continued its recovery**, with turnover from **commercial vehicles rising 25.6% and sales volumes up 14.2%**.

Piaggio Fast Forward:

Piaggio Fast Forward (PFF), the Piaggio Group robotics and future mobility company based in Boston, continued sales of the gita[®] terrestrial drone and the new gitamini[®] robot, which condenses the technology and functions of its revolutionary “big brother”, in a more compact design. The company is developing new products to expand its offer.

Gita[®] and gitamini[®] are produced in the Piaggio Fast Forward plant in Boston’s Charlestown district. The **first marketing phase** for the robots focuses on the **US market**, where the circulation of robots on city streets is already regulated.

PFF has designed and developed sensors with an innovative technology, which made their debut on the new Piaggio MP3 three-wheel scooter, to deliver unparalleled safety. Thanks to the integration of advanced rider assistance systems (ARAS), the new sensors play a vital role in accident prevention and rider protection.

Significant events in and after the first nine months of 2023

Supplementing the information published above or at the time of approval of the half-year report (directors’ meeting of 27 July 2023), this section illustrates key events in and after the first nine months of 2022.

On 1 September, at a meeting following the death of the Chair and CEO Roberto Colaninno, the Piaggio & C. S.p.A. Board of Directors established the new corporate governance structure. Director Matteo Colaninno was appointed to the post of Executive Chair and director Michele Colaninno to the post of Chief Executive Officer. The Board of Directors also coopted Carlo Zanetti as a new non-executive director.

On 3 September Aleix Espargarò and Maverick Viñales riding Aprilia bikes won, respectively, first and second place in the Barcelona MotoGP Grand Prix.

On 26 September, the Standard & Poor's Global Ratings agency said it had revised its outlook for the Piaggio Group (PIA.MI), upgrading it from negative to positive, and confirmed its “BB-” rating.

On 27 September Piaggio & C. S.p.A. successfully placed a 250 million euro 7-year unsecured senior bond on the high-yield market, with 6.5% fixed annual interest and a 100% issue price.

On 19 October, the Piaggio Group and Foton Motor Group signed a contract in Beijing for the joint development of a new range of electrically powered Porter models. The electric Porter will be produced in the Piaggio Group’s Pontedera factory in Italy. Sales will begin in the main European countries by the end of 2024.

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Outlook

Although it is still difficult to provide guidance given the persistent difficulties caused by geopolitical tensions and the global macroeconomic situation, the Piaggio Group confirms that, thanks to its portfolio of iconic brands, it will continue to pursue profit margin and productivity goals in the management of its production, logistic and procurement costs and in the management of all its international markets. The productivity improvements will offset the temporary slowdown in Asia.

The Indian, European and US markets remain positive despite the increase in interest rates in the last 12 months.

In light of this, Piaggio confirms the investments planned in new products in the two-wheeler sector and in commercial vehicles, and the consolidation of its commitment to ESG issues.

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Conference call with analysts

The presentation of the financial results as at and for the nine months to 30 September 2023, which will be illustrated during a conference call with financial analysts, is available on the corporate website at www.piaggiogroup.com/it/investor.

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Piaggio S.p.A. said that the Interim Report on Operations as at and for the nine months to 30 September 2023 will be published and made available to the public at the company registered office, in the “eMarket STORAGE” authorised storage mechanism at www.emarketstorage.com and on the issuer’s website www.piaggiogroup.com (section “Investors/Financial Reports/2023”) by 14 November 2023.

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The Piaggio Group consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows as at and for the nine months to 30 September 2023 are set out below.

The manager in charge of preparing the company accounts and documents, Alessandra Simonotto, certifies, pursuant to paragraph 2 of art. 154 bis of the Consolidated Finance Act, that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

* * *

In line with the recommendations in the ESMA/2015/1415 guidelines of 5 October 2015, attention is drawn to the fact

that this press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Piaggio Group 2022 Annual Report and in the quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that the alternative performance indicators (“Non-GAAP Measures”) have not been audited by the independent auditors, nor have the accounting schedules attached hereto.

This press release may contain forward-looking statements relating to future events and Piaggio Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

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- ACCOUNTING SCHEDULES FOLLOW -

Consolidated Income Statement

	First nine months 2023		First nine months 2022	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
Net Sales	1,626,248	7	1,626,876	
Cost of materials	1,027,612	19,409	1,056,872	34,707
Cost of services and use of third-party assets	223,224	1,144	227,319	1,008
Employee expense	199,039		196,911	
Depreciation and impairment property, plant and equipment	39,845		37,975	
Amortisation and impairment intangible assets	61,624		56,482	
Amortisation rights of use	7,678		7,362	
Other operating income	117,844	289	110,625	401
Impairment reversals (losses) net of trade and other receivables	(2,703)		(1,705)	
Other operating expense	22,260	18	18,003	6
EBIT	160,107		134,872	
Results of associates	(156)	(156)	(162)	(162)
Finance income	1,812		930	
Finance costs	30,461	41	18,910	60
Net exchange-rate gains/(losses)	(1,441)		(2,417)	
Profit before tax	129,861		114,313	
Income tax expense	44,153		43,439	
Profit from continuing operations	85,708		70,874	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	85,708		70,874	
Attributable to:				
Equity holders of the parent	85,708		70,874	
Minority interests	0		0	
Earnings per share (in €)	0.242		0.199	
Diluted earnings per share (in €)	0.242		0.199	

Consolidated Statement of Comprehensive Income

<i>In thousands of euro</i>	First nine months 2023	First nine months 2022
Profit (loss) for the period (A)	85,708	70,874
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	624	4,321
Total	624	4,321
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	(929)	(1,339)
Share of components of comprehensive income relating to equity-accounted investees	(525)	455
Total gains (losses) on cash flow hedges	(3,725)	(4,966)
Total	(5,179)	(5,850)
Other comprehensive income (expense) (B)*	(4,555)	(1,529)
Total comprehensive income (expense) for the period (A + B)		
(A + B)	81,153	69,345
* Other comprehensive income (expense) takes related tax effects into account.		
Attributable to:		
Equity holders of the parent	81,164	69,374
Minority interests	(11)	(29)

Consolidated Statement of Financial Position

	<u>At 30 September 2023</u>		<u>At 31 December 2022</u>	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
ASSETS				
Non-current assets				
Intangible assets	734,708		729,524	
Property, plant and equipment	286,903		291,366	
Rights of use	33,742		36,861	
Equity investments	9,232		9,913	
Other financial assets	16		16	
Tax credits	7,365		8,820	
Deferred tax assets	52,381		71,611	
Trade receivables				
Other receivables	18,321		20,021	
Total non-current assets	1,142,668		1,168,132	
Assets held for sale				
Current assets				
Trade receivables	94,539	388	67,143	468
Other receivables	56,440	26,358	56,118	26,293
Tax credits	49,611		45,101	
Inventories	336,800		379,678	
Other financial assets			59	
Cash and cash equivalents	232,848		242,616	
Total current assets	770,238		790,715	
Total Assets	1,912,906		1,958,847	

	<u>At 30 September 2023</u>		<u>At 31 December 2022</u>	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves attributable to equity holders of the parent	418,105		417,977	
Share capital and reserves attributable to minority interests	(177)		(166)	
Total shareholders' equity	417,928		417,811	
Non-current liabilities				
Financial liabilities	477,913		510,790	
Financial liabilities for rights of use	18,456	692	17,713	1,000
Trade payables				
Other non-current provisions	18,288		16,154	
Deferred tax liabilities	7,799		5,173	
Pension funds and employee benefits	23,854		25,714	
Tax payables				
Other payables	15,670		15,530	
Total non-current liabilities	561,980		591,074	
Current liabilities				
Financial liabilities	117,578		71,149	
Financial liabilities for rights of use	8,065	691	11,192	1,296
Trade payables	665,303	10,404	739,832	9,858
Tax payables	18,182		19,022	
Other payables	105,930	27,185	93,710	26,450
Current portion of other non-current provisions	17,940		15,057	
Total current liabilities	932,998		949,962	
Total Shareholders' equity and Liabilities	1,912,906		1,958,847	

Consolidated Statement of Cash Flows

	First nine months 2023		First nine months 2022	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
<i>Operating assets</i>				
Profit (loss) for the period	85,708		70,874	
Income tax expense	44,153		43,439	
Depreciation property, plant and equipment	39,845		37,975	
Amortisation of intangible assets	61,624		56,057	
Amortisation rights of use	7,678		7,362	
Allowances for risks, retirement funds and employee benefits	21,011		15,653	
Impairment losses / (Reversals)	2,685		2,124	
Losses / (Gains) realised on sale of property, plant and equipment	(2,408)		(164)	
Finance income	(1,812)		(930)	
Finance costs	30,461		18,910	
Income from public grants	(5,536)		(5,400)	
Share of results of associates	156		162	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(28,028)	80	(36,715)	133
(Increase)/Decrease in other receivables	(675)	(65)	2,246	119
(Increase)/Decrease in inventories	42,878		(96,603)	
Increase/(Decrease) in trade payables	(74,529)	546	127,347	2,777
Increase/(Decrease) in other payables	12,360	735	21,805	(68)
Increase/(Decrease) in provisions for risks	(9,101)		(12,404)	
Increase/(Decrease) in retirement funds and employee benefits	(8,706)		(8,639)	
Other movements	(7,847)		(41,179)	
Cash generated by operating activities	209,917		201,920	
Interest expense paid	(18,505)		(13,749)	
Tax paid	(26,783)		(17,986)	
Cash flow from operating activities (A)	164,629		170,185	
<i>Investing activities</i>				
Investment in property, plant and equipment	(36,384)		(42,606)	
Sale price or redemption value of property, plant and equipment	2,764		2,301	
Investment in intangible assets	(67,307)		(58,832)	
Sale price or redemption value of intangible assets	184		24	
Public grants collected	1,455		958	
Interest collected	1,676		688	
Cash flow from investing activities (B)	(97,612)		(97,467)	
<i>Financing activities</i>				
Own share purchases	(1,280)		(5,383)	
Outflow for dividends paid	(79,756)		(53,403)	
Loans received	63,620		86,273	
Outflow for loan repayments	(50,497)		(74,115)	
Payment of fees for rights of use	(7,457)		(7,100)	
Cash flow from financing activities (C)	(75,370)		(53,728)	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(8,353)		18,990	
Opening balance	242,552		260,856	
Exchange differences	(1,351)		11,325	
Closing balance	232,848		291,171	

The figures for the first nine months of 2022 have been restated with respect to those published last year, to assist comparison with the figures for the first nine months of 2023.