

PRESS RELEASE

PIAGGIO GROUP: FIRST HALF 2022

Piaggio Group Chairman and CEO Roberto Colaninno: *“The Piaggio Group closed the first half of 2022 with very positive results at global level. Consolidated net sales, EBITDA and net profit were among our best-ever results for the first half. Through careful cost management, we continue to monitor the effects of the Covid pandemic, the serious crisis between Russia and Ukraine (which has no impact on our financial statements) and the current difficulties in procuring electronic components. Thanks to its unique brand portfolio, Piaggio will nonetheless continue along its growth path in the second half of 2022, confirming the investments planned in new products and new facilities, and also strengthening its commitment to ESG issues.”*

- **Consolidated net sales 1,053.1 million euro, an increase of 16.8 % (+12.9% at constant exchange rates) (901.7 €/mln at 30.06.2021), the best-ever first-half result**
- **Industrial gross margin 277.1 million euro, up 5.8% (261.9 €/mln at 30.06.2021), 26.3 % return on net sales**
- **EBITDA 152.2 million euro, the strongest result achieved in the first half, with an increase of 5.3% (144.6 €/mln at 30.06.2021). EBITDA margin 14.5%**
- **EBIT 85.8 million euro, up 6.7% (80.4 €/mln at 30.06.2021). EBIT margin 8.1%**
- **Profit before tax 72.9 million euro, up 3.9% (70.2 €/mln at 30.06.2021)**
- **Net profit 45.2 million euro, the best first-half result since 2008, with an improvement of 3.9% from 43.5 €/mln at 30.06.2021**
- **Net financial position 397.4 €/mln, an improvement of 4.5 €/mln from 401.9 €/mln at 30.06.2021.**
- **320,600 vehicles shipped worldwide, up by 11.7% (287,100 at 30.06.2021)**
- **Capital expenditure approximately 66.6 million euro**
- **2022 interim dividend of 8.5 eurocents per ordinary share (2021 interim dividend 8.5 eurocents)**

Pontedera, 28 July 2022 - At a meeting today chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. (PIA.MI) examined and approved the half-year report on operations as at and for the six months to 30 June 2022.

Piaggio Group business and financial performance at 30 June 2022¹

Group consolidated net sales totalled 1,053.1 million euro, the best first-half result ever reported, with an increase of 16.8% (+12.9% at constant exchange rates) against 901.7 million euro in the first half of 2021.

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 **industrial gross margin** was **277.1 million euro**, an increase of **5.8%** compared to 261.9 million euro at 30 June 2021. **The return on net sales was 26.3 %** (29.1% at 30 June 2021).

Group **operating expense** was **191.3 million euro**, an increase of 9.7 million euro. The rise in operating expense was closely linked to the growth in net sales and shipments.

The income-statement figures described above produced **consolidated EBITDA of 152.2 million euro, the best first-half result to date, with an increase of 5.3% (+6.6% at constant exchange rates)** from 144.6 million euro in the first half to 30 June 2021. The **EBITDA margin was 14.5%** (16% at 30 June 2021).

EBIT amounted to **85.8 million euro**, a rise of **6.7%** from 80.4 million euro at 30 June 2021. The **EBIT margin was 8.1%** (8.9% at 30 June 2021).

Pre-tax profit for the first six months was **72.9 million euro**, up 3.9% from 70.2 million euro at 30 June 2021. Income tax for the period was 27.7 million euro, with an impact on pre-tax profit of 38%.

The Piaggio Group posted a **net profit of 45.2 million euro, its best first-half result since 2008, up 3.9%** from 43.5 million euro in the first half of 2021.

Net financial debt at 30 June 2022 stood at 397.4 million euro, an improvement of 4.5 million euro from 401.9 million euro at 30 June 2021. The net financial position at 31 December 2021 was 380.3 million euro, giving cash absorption of 17.1 million euro in the first half of 2022. The two-wheeler business is subject to seasonal trends, absorbing resources in the first half of the year and generating resources in the second half.

Group shareholders' equity at 30 June 2022 was 424.3 million euro (404.1 million euro at 31 December 2021).

In the first half, Piaggio Group **capital expenditure amounted to 66.6 million euro** (69.1 million euro in the year-earlier period).

Operations in the first half to 30 June 2022

In the first half to 30 June 2022, the Piaggio Group sold 320,600 vehicles worldwide (+11.7 % from 287,100 in the year-earlier period), and reported consolidated net sales of 1,053.1 million euro. The growth in volumes arose in all geographical regions.

Two-wheelers:

As of 30 June 2022, the Group had sold 271,600 two-wheelers worldwide (+11.8% from 242,800 in the first half of 2021), generating net sales of 875.8 million euro, an increase of 15.1% from 761 million euro in the year-earlier period.

The figure **includes spares and accessories**, on which **turnover totalled 73.9 million euro (+6.3% from 69.5 million euro at 30 June 2021).**

Two-wheeler sales in the first half of 2022 were particularly strong in Asia Pacific (+27%), followed by the Americas (+26.3%) and EMEA (+7%). On the Indian market, sales volumes fell by 7.4% while net sales were up 11.2%.

In Europe, the Piaggio Group confirmed its leadership in the scooter segment with a share of 22.5% and maintained a strong positioning on the North American scooter market, with a share

of 31%. In North America the Group is also working to consolidate its presence on the motorcycle market with the Aprilia and Moto Guzzi brands.

The scooter sector saw double-digit growth in global sales volumes, driven in particular by the Vespa brand, which reported strong performance in Asia Pacific (mainly in Indonesia, Vietnam and China), India, the Americas and Italy, and by Aprilia scooters.

In motorcycles, where overall sales volumes rose by around 30%, Moto Guzzi reported a very strong first half, with volumes and net sales showing double-digit growth, thanks especially to sales of the Moto Guzzi V7 and V85TT. The first six months were also extremely positive for Aprilia motorcycles, chiefly as a result of sales of the new Aprilia Tuareg and Aprilia RS 660 cc, which benefited from Aprilia Racing's excellent performance in the MotoGP championship.

Commercial vehicles:

In commercial vehicles, the Piaggio Group reported sales volumes of 49,000 vehicles (+10.8% compared to the figure of 44,200 in the first half of 2021), with net sales of 177.3 million euro (+26% from 140.7 million euro at 30 June 2021). The figure includes spares and accessories, where turnover totalled 27.5 million euro (+27% from 21.7 million euro in the year-earlier period).

At geographical level, the EMEA and Americas markets reported turnover growth of 10%; on the Italian market in particular, sales of the new Porter NP6 were a key factor. The Indian market regained strength to report a rise of almost 40% in turnover for commercial vehicles, with sales volumes increasing by more than 20%.

The PVPL subsidiary had an overall share of 19.9% of the Indian three-wheeler market and maintained a strong position in the Cargo segment with a share of 32.7%.

Piaggio Fast Forward:

Piaggio Fast Forward (PFF), the Piaggio Group robotics and future mobility company based in Boston, expanded its offer with the presentation in September of gitamini®, a new robot that condenses the technology and functions of gita®, its revolutionary "big brother", in a lighter, more compact design.

Gita® and gitamini® are made 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 kicked off a series of pilot programs, together with partners active in various business sectors, to test further applications for gita in the travel, residential and retail sectors and in last-mile delivery. In March, PFF announced an agreement with Trimble, a Nasdaq-listed company, to develop robots and machines to follow humans and other devices in industrial applications.

PFF has also designed and developed an innovative sensor technology, which made its 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 half of 2022

Supplementing the information published above or at the time of approval of the interim report at 31 March 2022 (directors' meeting of 2 May 2022), this section illustrates key events in and after the first six months of 2022.

On 7 May, the Aprilia All Stars 2022 event was held at the Misano racetrack, attended by more than 10,000 Aprilia fans and followers.

On 15 June, Michele Colaninno, Chief Executive of global strategy, product, marketing and innovation of the Piaggio Group, founder and Chair of Piaggio Fast Forward, was appointed President of ACEM (Association des Constructeurs Européens de Motocycles), the European motorcycle industry association based in Brussels, to which all the world motorcycle and scooter groups belong.

On 20 June, Piaggio & C. signed an agreement with a pool of banks to extend and increase a 187.5 million euro revolving line of credit arranged in 2018. The facility was raised to 200 million euro and underwritten by Bank of America Merrill Lynch, Banca Nazionale del Lavoro, HSBC, Intesa Sanpaolo, ING Bank and Unicredit.

On 28 June, the new Piaggio MP3 models were presented to the international press in Paris. The three-wheeler, an icon of metropolitan mobility, is now available as a new range of lighter, high-performance models that have been completely redesigned from every technical point of view. Fitted with the new radar systems developed by Piaggio Fast Forward to deliver a safer riding experience, the new scooters feature modern 400 and 530 hpe engines.

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Russia - Ukraine crisis

The Piaggio Group is paying close attention to developments in the Russia - Ukraine crisis, which has begun to trigger rises in the costs of raw materials and energy and could have significant repercussions for the world economy, in part as a result of the sanctions that have already been introduced or are under discussion. The extreme geographical diversification of the Group's sales and procurements means that its exposure in the area of the conflict is substantially non-existent. As regards the indirect effects of the war, the Group has been affected by the price rises in energy, especially in its European factories, and in raw materials, which have been mitigated in part by agreements with its suppliers.

Outlook

Like the early months of the year, the second quarter of 2022 presented a complex macroeconomic picture, with a series of difficulties caused by rising commodities prices, transport logistics, the Russia - Ukraine war and consequent international geopolitical tensions, and developments in the Covid pandemic.

Nevertheless, thanks to its unique brand portfolio, in the second half of 2022 Piaggio will continue along its growth path, confirming its planned investments in new products and new facilities and strengthening its commitment to ESG issues.

In this general situation, Piaggio will continue as ever to work to meet its commitments and objectives, keeping a constant focus on efficient management of its economic and financial structure so that it can respond immediately and in a flexible manner to the challenges and uncertainties of 2022.

* * *

Piaggio & C. S.p.A.

Interim dividend

Having approved the financial statements at 30 June 2022 and the directors' report pursuant to art. 2344-bis of the Italian Civil Code, the Board of Directors **authorised distribution of a gross interim dividend for 2022 of 8.5 eurocents** to each entitled ordinary share (compared to a similar interim dividend on ordinary shares in 2021), for a total amount of Euro 30,224,274.16.

The ex-dividend date (coupon 19) is 19 September 2022; the record date is 20 September 2022 and the payment date is 21 September 2022.

The financial statements, the directors' report and the independent auditor's opinion, required under art. 2433-bis of the Italian Civil Code, will be made available to shareholders at the Company's headquarters (Viale Rinaldo Piaggio 25, Pontedera - PI).

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Conference call with analysts

The presentation of the financial results as at and for the six months to 30 June 2022, 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 half-year report as at and for the six months to 30 June 2022 will be 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/2022") as required by law.

The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at and for the six months to 30 June 2022 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 Legislative Decree no. 58/1998 (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 2021 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.

For more information:

Piaggio Group Corporate Press Office
Director Diego Rancati
Via Broletto, 13 - 20121 Milan - Italy
+39 02.319612.19
diego.rancati@piaggio.com

Image Building
Via Privata Maria Teresa, 11 - 20123 Milan - Italy
+39 02 89011300 - piaggio@imagebuilding.it

Piaggio Group Investor Relations
Director Raffaele Lupotto
Viale Rinaldo Piaggio, 25
56025 Pontedera (PI)
+39 0587.272286
investorrelations@piaggio.com
piaggiogroup.com

- ACCOUNTING SCHEDULES FOLLOW -

Consolidated Income Statement

	H1 2022		H1 2021	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
Net Sales	1,053,078		901,671	8
Cost of materials	682,144	26,120	557,477	12,724
Cost of services and use of third-party assets	147,003	648	133,586	844
Employee expense	134,526		125,463	
Depreciation and impairment property, plant and equipment	24,787		22,673	
Amortisation and impairment intangible assets	36,984		37,457	
Amortisation rights of use	4,636		4,060	
Other operating income	76,021	269	74,406	246
Impairment reversals (losses) net of trade and other receivables	(1,292)		(1,299)	
Other operating expense	11,949	6	13,701	14
EBIT	85,778		80,361	
Results of associates	(80)	(80)	412	433
Finance income	584		508	
Finance costs	11,756	40	13,221	53
Net exchange-rate gains/(losses)	(1,642)		2,103	
Profit before tax	72,884		70,163	
Income tax expense	27,696		26,662	
Profit from continuing operations	45,188		43,501	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	45,188		43,501	
Attributable to:				
Equity holders of the parent	45,188		43,501	
Minority interests	0		0	
Earnings per share (in €)	0.127		0.122	
Diluted earnings per share (in €)	0.127		0.122	

Consolidated Statement of Comprehensive Income

<i>In thousands of euro</i>	H1 2022	H1 2021
Profit (loss) for the period (A)	45,188	43,501
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	3,342	194
Total	3,342	194
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	(416)	1,837
Share of components of comprehensive income relating to equity-accounted investees	408	493
Total gains (losses) on cash flow hedges	(1,580)	3,101
Total	(1,588)	5,431
Other comprehensive income (expense) (B)*	1,754	5,625
Total comprehensive income (expense) for the period (A + B)	46,942	49,126
* Other comprehensive income (expense) takes related tax effects into account.		
Attributable to:		
Equity holders of the parent	46,966	49,138
Minority interests	(24)	(12)

Consolidated Statement of Financial Position

	At 30 June 2022		At 31 December 2021	
	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	723,423		720,209	
Property, plant and equipment	288,509		283,041	
Rights of use	38,682		30,727	
Investment property				
Equity investments	11,375		11,047	
Other financial assets	16		16	
Tax credits	10,909		8,904	
Deferred tax assets	56,213		72,479	
Trade receivables				
Other receivables	23,209		23,628	67
Total non-current assets	1,152,336		1,150,051	
Assets held for sale				
Current assets				
Trade receivables	148,141	459	71,225	610
Other receivables	46,151	19,746	57,273	20,018
Tax credits	28,843		17,542	
Inventories	378,168		278,538	
Other financial assets			176	
Cash and cash equivalents	236,653		260,868	
Total current assets	837,956		685,622	
Total Assets	1,990,292		1,835,673	

	At 30 June 2022		At 31 December 2021	
	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	424,446		404,235	
Share capital and reserves attributable to minority interests	(173)		(149)	
Total Shareholders' equity	424,273		404,086	
Non-current liabilities				
Financial liabilities	517,766		532,213	
Financial liabilities for rights of use	21,634	1,898	14,536	2,220
Trade payables				
Other non-current provisions	13,773		17,364	
Deferred tax liabilities	5,710		7,495	
Pension funds and employee benefits	27,448		33,070	
Tax payables			1,387	
Other payables	13,239		12,760	
Total non-current liabilities	599,570		618,825	
Current liabilities				
Financial liabilities	86,393		86,840	
Financial liabilities for rights of use	8,266	1,126	7,601	1,319
Trade payables	757,575	23,517	623,564	16,829
Tax payables	23,638		16,976	
Other payables	75,518	14,929	63,425	15,037
Current portion of other non-current provisions	15,059		14,356	
Total current liabilities	966,449		812,762	
Total Shareholders' equity and Liabilities	1,990,292		1,835,673	

Consolidated Statement of Cash Flows

This schedule shows the determinants of changes in cash and cash equivalents net of bank overdrafts, as required by IAS 7.

	H1 2022		H1 2021	
	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	45,188		43,501	
Income tax expense	27,696		26,662	
Depreciation property, plant and equipment	24,787		22,673	
Amortisation of intangible assets	36,564		37,457	
Amortisation rights of use	4,636		4,060	
Allowances for risks, retirement funds and employee benefits	10,106		12,135	
Impairment losses / (Reversals)	1,706		1,300	
Losses / (Gains) realised on sale of property, plant and equipment	(164)		(46)	
Finance income	(584)		(508)	
Finance costs	11,756		13,221	
Income from public grants	(2,784)		(1,426)	
Share of results of associates	80		(433)	
<i>Change in working capital</i>				
(Increase)/Decrease in trade receivables	(78,158)	151	(66,420)	(234)
(Increase)/Decrease in other receivables	11,497	339	(12,134)	(250)
(Increase)/Decrease in inventories	(99,630)		(72,478)	
Increase/(Decrease) in trade payables	134,011	6,688	113,747	6,622
Increase/(Decrease) in other payables	12,572	(108)	14,746	339
Increase/(Decrease) in provisions for risks	(9,133)		(9,105)	
Increase/(Decrease) in retirement funds and employee benefits	(5,539)		(5,398)	
Other movements	(6,350)		346	
Cash generated by operating activities	118,257		121,900	
Interest expense paid	(11,259)		(12,201)	
Tax paid	(12,554)		(11,010)	
Cash flow from operating activities (A)	94,444		98,689	
<i>Investing activities</i>				
Investment in property, plant and equipment	(27,400)		(21,426)	
Sale price or redemption value of property, plant and machinery	698		5,610	
Investment in intangible assets	(39,243)		(47,625)	
Sale price or redemption value of intangible assets	24		59	
Public grants collected	579		889	
Additions to rights of use	(12,049)		(3,285)	
Interest collected	546		306	
Cash flow from investing activities (B)	(76,845)		(65,472)	
<i>Financing activities</i>				
Own share purchases	(3,552)		(53)	
Outflow for dividends paid	(23,203)		(9,285)	
Loans received	47,968		83,030	
Outflow for loan repayments	(63,740)		(107,781)	
Payment of fees for rights of use	(4,578)		(5,432)	
Cash flow from financing activities (C)	(47,105)		(39,521)	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(29,506)		(6,304)	
Opening balance	260,856		228,906	
Exchange differences	5,303		3,839	
Closing balance	236,653		226,441	

The figures for the first half of 2021 have been restated with respect to those published last year, to assist comparison with the figures for the first half of 2022.