

PRESS RELEASE

PIAGGIO GROUP: FIRST QUARTER 2021

Piaggio Group Chairman and CEO Roberto Colaninno: *“The Piaggio Group closed the first quarter of 2021 with very positive results at global level. Appreciation for the design, style and technology of our Italian brands continues to grow; sales of two-wheelers rose by 35% from the first quarter of 2020 and by 22% from the first quarter of 2019. Consolidated net sales were the highest since 2007, and both EBITDA and net profit were our best-ever first-quarter results. At the same time, the high level of cash generated in part through careful working capital management permitted a significant debt reduction of more than 100 million euro compared with the first quarter of 2020. Nevertheless, we have to consider that the Covid pandemic is still a risk and so we continue to monitor each individual market closely. Clearly, the Indian continent is suffering and as always we shall keep a close eye on social responsibility; the market will recover and be better than before.”*

- **Consolidated net sales 384.7 million euro, up 23.5% (+28.1% at constant exchange rates)** (311.4 €/mln in Q1 20)
- **Industrial gross margin 111.2 million euro, up 26.1% (+26.4% at constant exchange rates)** (88.1 €/mln in Q1 2020)
Return on net sales 28.9% (28.3% in Q1 20)
- **EBITDA 56 million euro, up 40.8% (+38.4% at constant exchange rates)** (39.8 €/mln in Q1 2020)
EBITDA margin 14.6% (12.8% in Q1 2020)
- **EBIT 23.5 million euro, up 135.1%** (10 €/mln in Q1 2020)
EBIT margin 6.1% (3.2% in Q1 2020)
- **Profit before tax 18.5 million euro** (5.2 €/mln in Q1 2020)
- **Net profit 11.1 million euro** (a more than 3-fold increase on 3.1 €/mln at 31.03.2020)
- **Net financial position -448.6 €/mln, an improvement of 100.1 €/mln from -548.6 €/mln at 31.03.2020** (-423.6 €/mln at 31.12.2020)
- **135,000 vehicles shipped worldwide, up by 15.3%** (117,100 at 31.03.2020)
- **Capital expenditure 35.6 million euro, up 24.8%** (28.5 €/mln in Q1 2020)
- **Aprilia Racing, five-year agreement with Dorna Sports to take part in the MotoGP world championship until 2026 with the Aprilia Official Factory Team**

Pontedera, 29 April 2021 - At a meeting today chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. (PIA.MI) examined and approved the interim report on operations as at and for the three months to 31 March 2021.

Piaggio Group business and financial performance at 31 March 2021¹

Group consolidated net sales totalled **384.7 million euro**, the best first-quarter result since 2007, with an increase of 23.5% (+28.1% at constant exchange rates) against 311.4 million euro in the first quarter of 2020.

The **industrial gross margin** was **111.2 million euro**, up 26.1% (+26.4% at constant exchange rates) compared to 88.1 million euro at 31 March 2020. **The return on net sales was 28.9 %** (28.3% at 31 March 2020).

Group **operating expense** in the first quarter to 31 March 2021 was **87.6 million euro**, an increase of 9.5 million euro. The rise in operating expense was closely linked to the improvement in net sales and shipments.

The income-statement figures described above produced **consolidated EBITDA of 56 million euro**, the best first-quarter result to date, with a strong increase of 40.8% (+38.4% at constant exchange rates) from 39.8 million euro in the first quarter to 31 March 2020. The **EBITDA margin was 14.6%** (12.8% at 31 March 2020).

EBIT amounted to **23.5 million euro**, more than double (+135.1%) the result of 10 million euro at 31 March 2020. The **EBIT margin was 6.1%** (3.2% at 31 March 2020).

Pre-tax profit in the first quarter was **18.5 million euro**, a sharp increase (+254.2%) from 5.2 million euro at 31 March 2020. Income tax for the period was 7.4 million euro, with an impact on pre-tax profit of 40%.

The Piaggio Group's **net profit** was **11.1 million euro**, its best-ever first-quarter result, with a **more than three-fold increase** against 3.1 million euro in the first quarter of 2020.

Net financial debt at 31 March 2021 stood at 448.6 million euro, an improvement of **100.1 million euro** from 548.6 million euro at 31 March 2020. Compared with the financial position at the end of the first quarter of 2020, which was severely affected by the block on sales as a result of the Covid-19 pandemic, the reduction in debt was achieved through careful management of working capital and the operating cash flows generated by the Group's positive business performance, which also enabled it to absorb a higher capital expenditure requirement. The net financial position at 31 December 2020 was 423.6 million euro, giving cash absorption of 25 million euro in the first quarter of 2021. 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 31 March 2021 was 390.7 million euro (372 million euro at 31 December 2020).

In the first quarter, Piaggio Group **capital expenditure amounted to 35.6 million euro**, an **increase of 24.8%** from expenditure of 28.5 million euro in the first quarter of 2020.

Business performance in the first quarter to 31 March 2021

In the first quarter to 31 March 2021, the Piaggio Group sold 135,000 vehicles worldwide

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.

(+15.3% from 117,100 in the year-earlier period), and reported consolidated net sales of 384.7 million euro. The growth in volumes arose in all geographical regions.

Two-wheelers:

As of 31 March 2021, the Group had sold 103,200 two-wheelers worldwide (+35% from 76,400 at 31 March 2020), generating net sales of 296.9 million euro, an increase of 42.2% from 208.8 million euro in the year-earlier first quarter.

The figure includes spares and accessories, on which turnover totalled 29.6 million euro, an increase of 13.2% from 26.2 million euro in the year-earlier period.

2021 first-quarter two-wheeler sales were particularly significant in India and America (rising by more than 90%), in Asia Pacific (+47.2%), and on the European market, notably in Italy, with a volume increase of almost 70%.

In Europe the Piaggio Group boosted its market share in both scooters and motorcycles, and retained a strong positioning on the North American scooter market with a 32.9% share, up from its previous share of 23.7%. In North America the Group is also working hard on consolidating its presence on the motorbike market with the Aprilia and Moto Guzzi brands.

On the scooter market, global sales rose by almost 37%, led by the Vespa brand, the three-wheel scooters, the Liberty high-wheel scooter and the rise in sales of the new version of the Piaggio Beverly.

In motorcycles, Moto Guzzi reported an outstanding first quarter, with its highest-ever sales volumes and net sales, notably for the Moto Guzzi V7 and V85TT. The first quarter of 2021 was also extremely positive for the Aprilia brand, whose net sales were the highest since 2007 (almost double the figure of the year-earlier period and up by almost 50% from the first quarter of 2019), assisted by the Aprilia RSV4 supersports model, with an increase of 40%, and the new Aprilia RS and Aprilia Tuono with 660 cc engines, which garnered strong market interest.

Commercial vehicles:

In commercial vehicles, the Piaggio Group reported first-quarter sales volumes of 31,900 vehicles (-21.7% compared to 40,700 in the year-earlier period), with net sales of 87.8 million euro (-14.4% from 102.6 million euro at 31 March 2020). The figure includes spares and accessories, on which turnover totalled 12.8 million euro, an increase of 5.6% from 12.1 million euro in the year-earlier period.

At geographical level, performance was positive on all the markets in the EMEA and Americas area (+35.3% volumes; +31.1% net sales), and the Italian market benefited from the marketing launch of the new Porter NP6.

The downturn in the commercial vehicles business arose from slower demand in India, where volumes decreased by 26.7%.

The PVPL subsidiary had an overall share of 25.5% of the Indian three-wheeler market and confirmed its leadership in the Cargo segment with a share of 38.8%.

Piaggio Fast Forward:

Piaggio Fast Forward (PFF), the Piaggio Group robotics and future mobility company based in Boston, continued the marketing of its first innovative project, gita, a unique follow-me robot

carrier with a payload of 20 kg, designed to follow the user indoors and outdoors, at a top speed of 10 km/hour and with a 4-hour battery life.

Gita is produced in the Piaggio Fast Forward factory in the Charlestown district of Boston. The **first marketing phase focuses on the US market**, where the circulation of robots on city streets is already regulated.

In December 2020, 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 local food 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**.

Significant events in and after the first quarter of 2021

Supplementing the information published above or at the time of approval of the 2020 draft financial statements (directors' meeting of 2 March 2021), this section illustrates key events in and after the first quarter of 2021.

On 8 March, the Piaggio Group broadened its range of high-end products in Nepal, where it has been present with Vespa since 2015, by launching marketing of the Aprilia brand, starting with the Aprilia SXR 160 scooter, the key model in the premium two-wheeler segment in India.

On 10 March, the Standard & Poor's Global Ratings agency (S&P) said it had revised its outlook for the Piaggio Group (PIA.MI), upgrading it from negative to positive, and confirmed its B+ rating.

On 15 March, the Group celebrated the centenary of Moto Guzzi. A century of history, splendid motorcycles, triumphs, adventures and extraordinary personalities, who together built the legendary Eagle Brand.

On 24 March, the Aprilia SXR 160 scooter marketed in India since the beginning of the year was voted "Scooter Of The Year 2021" at the Autocar Awards.

On 29 March, the Moody's Investors Service ratings agency (Moody's) announced that it had revised its outlook for the Piaggio Group, upgrading it from negative to stable, and confirmed its Ba3 rating for the Group.

On 14 April, the Piaggio & C. S.p.A. AGM appointed the Board of Directors, confirming the number of members at 9. The following directors were appointed: Roberto Colaninno, Matteo Colaninno, Michele Colaninno, Graziano Gianmichele Visentin (independent director), Rita Ciccone (independent director), Patrizia Albano (independent director), Federica Savasi, Micaela Vescia (independent director) and Andrea Formica (independent director). At a meeting the following day, the Board of Directors confirmed Roberto Colaninno as the company's Chairman and Chief Executive Officer and Matteo Colaninno as Deputy Chairman. The Board also confirmed the strategic development powers assigned to director Michele Colaninno.

On 23 April, the Group celebrated the 75th anniversary of Vespa, which has reached the extraordinary figure of 19 million scooters since the Spring of 1946. The 19 millionth Vespa scooter was a GTS 300 in the 75th special edition, assembled at the factory in Pontedera, where the Vespa has been produced without interruption since it was first created.

On 28 April, Aprilia RS 660's debut in the MotoAmerica Twins Cup competition was announced. With type approval also for the US market, Aprilia RS 660 will take part in the American championship with 10 bikes on the starting grid.

During the period, the Piaggio Group opened a representative office in Brussels in order to ensure constant direct contact with the European Union representations.

Aprilia Racing:

This morning at Jerez della Frontera, Aprilia Racing, the cutting edge of Piaggio Group technology, signed a five-year agreement with Dorna Sports to take part in the MotoGP world championship until 2026 with the Aprilia Official Factory Team.

Having returned to the top motorcycle racing event in 2015 accompanied by Team Gresini, **starting next year Aprilia Racing will race its official RS-GP bikes and will therefore be present as a factory team.**

A relative youngster in sport, Aprilia is one of the most successful names in motorcycle racing history, with 54 world championship titles, 38 in MotoGP, 7 in Superbike and 9 in Off-Road events. With 294 GP victories, it is the European company that has won the most MotoGP races.

* * *

Outlook

Although the complexity of providing guidance remains, given the uncertainty over the evolution of the pandemic in the coming months of 2021, Piaggio will move forward in the year that Moto Guzzi celebrates its centenary and Vespa its 75th anniversary with the launch of 11 new two-wheelers and a new lightweight commercial vehicle, the construction of the new E-mobility department in Pontedera, the start-up of a new factory in Indonesia and the complete restructuring of the Moto Guzzi production facility and museum areas.

In this general context, Piaggio confirms that, as indicated when it published its 2020 results, it will continue to work to meet its commitments and targets, maintaining all the necessary measures to ensure a flexible and immediate response to any difficult and unexpected situations that might arise, thanks to careful and efficient business and financial management.

* * *

Share buyback program

In connection with the authorisation for the purchase and disposal of own shares given by the Piaggio AGM on 14 April 2021, the Board of Directors also approved the launch of a share buyback program, which represents a useful strategic investment opportunity for the purposes allowed under law, including the purposes contemplated in art. 5 of Regulation (EU) 596/2014 (Market Abuse Regulation, “MAR”), among which the purchase of own shares for subsequent cancellation, and in the practices allowed under art. 13 MAR.

Purchase transactions under the program will be performed in the manner and in compliance with the limits set out in the aforementioned shareholder resolution, specifically:

- up to 12,500,000 no-par Piaggio ordinary shares may be purchased, for a maximum outlay of 41,196,250 euro, thus within the legal limits (20% of share capital, pursuant to art. 2357, par 3, Italian Civil Code);
- share buybacks shall take place within the limits of distributable earnings and available reserves as reflected in the most recent financial statements (including interim financial statements) approved at the time of implementation of the transaction;
- share buybacks shall be effected on the regulated market in a manner that ensures equality of treatment of shareholders as envisaged by art. 132 of Law 58/1998, with the graduality deemed to be in the interests of the company and in accordance with current laws, adopting the procedures envisaged by art. 144-bis, paragraph 1, head b) of Consob Regulation

11971/1999, as amended, and taking into account the conditions relating to trading as per art. 3 of the Delegated Regulation (EU) 2016/1052 (“**Regulation 1052**”) enacting the MAR (i) for a consideration that shall not be higher than the greater of the price of the most recent independent transaction and the price of the highest independent offer on the trading markets where the buyback is made, without prejudice to the condition that the per-share consideration shall not in any case be more than 20% below or 10% above the mean official Piaggio share price in the ten trading days before each single purchase transaction; (ii) for volumes not exceeding 25% of the average daily volume of Piaggio shares traded on the regulated market where the buyback is made, determined on the basis of the parameters as per art. 3 of Regulation 1052;

- the buyback program may be implemented, in one or more tranches, through 13 October 2022.

As of today, the company holds 1,028,818 own shares.

* * *

Conference call with analysts

The presentation of the financial results for the first quarter to 31 March 2021, which will be illustrated during a conference call with financial analysts, is available on the corporate website at www.piaggiogroup.com/it/investor.

* * *

The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at 31 March 2021 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 2020 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

Consolidated Income Statement

	Q1 2021		Q1 2020	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
Net Sales	384,653	3	311,358	23
Cost of materials	(235,420)	(3,706)	(189,803)	(4,200)
Cost of services and use of third-party assets	(57,960)	(556)	(45,764)	(539)
Employee expense	(60,671)		(56,450)	
Depreciation and impairment property, plant and equipment	(11,528)		(9,920)	
Amortisation and impairment intangible assets	(18,986)		(17,782)	
Amortisation rights of use	(1,985)		(2,097)	
Other operating income	31,725	99	24,524	115
Impairment reversals (losses) net of trade and other receivables	(1,027)		(384)	
Other operating expense	(5,263)	(11)	(3,670)	(5)
EBIT	23,538		10,012	
Results of associates	51	51	160	160
Finance income	297		605	
Finance costs	(6,510)	(27)	(6,347)	(41)
Net exchange-rate gains/(losses)	1,121		793	
Profit before tax	18,497		5,223	
Income tax expense	(7,399)		(2,089)	
Profit from continuing operations	11,098		3,134	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	11,098		3,134	
Attributable to:				
Equity holders of the parent	11,098		3,134	
Minority interests	0		0	
Earnings per share (in €)	0.031		0.009	
Diluted earnings per share (in €)	0.031		0.009	

Consolidated Statement of Comprehensive Income

<i>In thousands of euro</i>	Q1 2021	Q1 2020
Profit (loss) for the period (A)	11,098	3,134
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	205	2,316
Total	205	2,316
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	4,010	(4,011)
Share of components of Comprehensive Income relating to equity-accounted investees	478	56
Total gains (losses) on cash flow hedges	2,935	1,965
Total	7,423	(1,990)
Other comprehensive income (expense) (B)*	7,628	326
Total comprehensive income (expense) for the period (A + B)	18,726	3,460
* Other comprehensive income (expense) taking related tax effects into account		
Attributable to:		
Equity holders of the parent	18,718	3,416
Minority interests	8	44

Consolidated Statement of Financial Position

	At 31 March 2021		At 31 December 2020	
	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	702,738		695,646	
Property, plant and equipment	268,073		264,616	
Rights of use	32,406		33,241	
Investment property			4,600	
Equity investments	9,663		9,134	
Other financial assets	37		37	
Tax credits	11,878		12,399	
Deferred tax assets	64,722		64,686	
Trade receivables				
Other receivables	23,662	81	26,260	81
Total non-current assets	1,113,179		1,110,619	
Assets held for sale				
Current assets				
Trade receivables	126,605	535	68,692	423
Other receivables	58,541	16,260	44,241	16,274
Tax credits	21,671		12,851	
Inventories	266,634		189,864	
Other financial assets	2,762		2,617	
Cash and cash equivalents	216,180		230,093	
Total current assets	692,393		548,358	
Total Assets	1,805,572		1,658,977	

	At 31 March 2021		At 31 December 2020	
	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	390,877		372,159	
Share capital and reserves attributable to minority interests	(139)		(147)	
Total Shareholders' equity	390,738		372,012	
Non-current liabilities				
Financial liabilities	468,132		465,776	
Financial liabilities for rights of use	16,809	3,201	17,994	3,512
Trade payables				
Other non-current provisions	12,299		12,543	
Deferred tax liabilities	9,262		5,227	
Pension funds and employee benefits	33,729		34,998	
Tax payables				
Other non-current payables	10,651		11,094	
Total non-current liabilities	550,882		547,632	
Current liabilities				
Financial liabilities	174,678		163,510	
Financial liabilities for rights of use	7,837	1,367	8,582	1,952
Trade payables	593,572	5,341	489,964	5,770
Tax payables	12,033		12,987	
Other current liabilities	56,509	4,132	46,316	4,058
Current portion of other non-current provisions	19,323		17,974	
Total current liabilities	863,952		739,333	
Total Shareholders' equity and Liabilities	1,805,572		1,658,977	

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.

	Q1 2021		Q1 2020	
	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	11,098		3,134	
Income tax expense	7,399		2,089	
Depreciation property, plant and equipment	11,528		9,920	
Amortisation of intangible assets	18,986		17,782	
Amortisation rights of use	1,985		2,097	
Allowances for risks, retirement funds and employee benefits	4,605		3,616	
Impairment losses / (Reversals)	1,029		388	
Losses / (Gains) realised on sale of property, plant and equipment	(36)		2	
Finance income	(297)		(605)	
Finance costs	6,510		6,347	
Income from public grants	(617)		(798)	
Share of results of associates	(51)		(160)	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(58,871)	(112)	(54,601)	(44)
(Increase)/Decrease in other receivables	(11,772)	14	(4,314)	(120)
(Increase)/Decrease in inventories	(76,770)		(74,925)	
Increase/(Decrease) in trade payables	103,608	(429)	24,488	1,088
Increase/(Decrease) in other payables	9,750	74	3,484	20
Increase/(Decrease) in provisions for risks	(2,010)		(1,611)	
Increase/(Decrease) in retirement funds and employee benefits	(2,817)		(2,607)	
Other movements	(11,327)		(10,443)	
Cash generated by operating activities	11,930		(76,717)	
Interest expense paid	(4,896)		(4,467)	
Tax paid	(5,615)		(7,488)	
Cash flow from operating activities (A)	1,419		(88,672)	
<i>Investing activities</i>				
Investment in property, plant and equipment	(10,654)		(9,607)	
Sale price or redemption value of property, plant and equipment	4,697		18	
Investment in intangible assets	(24,896)		(18,889)	
Sale price or redemption value of intangible assets	19		1	
Public grants collected	306		352	
Interest collected	97		668	
Cash flow from investing activities (B)	(30,431)		(27,457)	
<i>Financing activities</i>				
Own share purchases	0		(217)	
Loans received	40,253		115,025	
Outflow for loan repayments	(27,328)		(20,271)	
Payment of fees for rights of use	(2,811)		(1,919)	
Cash flow from financing activities (C)	10,114		92,618	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(18,898)		(23,511)	
Opening balance	228,906		190,728	
Exchange differences	6,172		(785)	
Closing balance	216,180		166,432	