

PRESS RELEASE

PIAGGIO GROUP FIRST QUARTER 2022

Piaggio Group Chairman and CEO Roberto Colaninno: *“The Piaggio Group closed the first quarter of 2022 with very positive results at global level. Consolidated net sales, EBITDA and net profit reached best-ever levels for the first quarter. 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 the great strength of our brands we are nonetheless winning growing numbers of customers around the world, and I believe we shall be able to return to normal company operations by September of this year.”*

- **Consolidated net sales 455.8 million euro, an increase of 18.5%** (+15.5% at constant exchange rates) (384.7 €/mln at 31.03.2021), the best-ever first-quarter result
- **Industrial gross margin 116.8 million euro, up 5%** (111.2 €/mln at 31.03.2021), **25.6% return on net sales**
- **EBITDA 60.1 million euro, the strongest result achieved in the first quarter, with an increase of 7.2%** (56 €/mln at 31.03.2021). **EBITDA margin 13.2%**
- **EBIT 27.7 million euro, up 17.5%** (23.5 €/mln at 31.03.2021), **EBIT margin 6.1%**
- **Profit before tax 20.4 million euro, up 10.4%** (18.5 €/mln at 31.03.2021)
- **Net profit 12.7 million euro, the best-ever first-quarter result, with an improvement of 14.1%** from 11.1 €/mln at 31.03.2021
- **Net financial position 441.1 €/mln, an improvement of 7.5 €/mln** from 448.6 €/mln at 31.03.2021.
- **141,800 vehicles shipped worldwide, an increase of 5%**
- **Capital expenditure approximately 26.6 million euro**

Pontedera, 2 May 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 interim report on operations as at and for the three months to 31 March 2022.

Piaggio Group business and financial performance at 31 March 2022¹

Group consolidated net sales totalled **455.8 million euro, the best first-quarter result ever reported, with an increase of 18.5%** (+15.5% at constant exchange rates) against 384.7 million euro in the first quarter of 2021.

The **industrial gross margin** was **116.8 million euro, an increase of 5%** compared to 111.2 million euro at 31 March 2021. **The return on net sales was 25.6 %** (28.9% at 31 March 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.

Group **operating expense** was **89.1 million euro**, an increase of 1.5 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 60.1 million euro, the best first-quarter result to date, with an increase of 7.2% (+8% at constant exchange rates)** from 56 million euro in the first quarter to 31 March 2021. The **EBITDA margin was 13.2%** (14.6% at 31 March 2021).

EBIT amounted to **27.7 million euro**, a **rise of 17.5%** from 23.5 million euro at 31 March 2021. The **EBIT margin was 6.1%** (6.1% at 31 March 2021).

Pre-tax profit in the first three months was **20.4 million euro**, up 10.4% from 18.5 million euro at 31 March 2021. Income tax for the period was 7.8 million euro, with an impact on pre-tax profit of 38%.

The Piaggio Group's **net profit of 12.7 million euro was its best-ever first-quarter result, with an improvement of 14.1%** against 11.1 million euro in the first quarter of 2021.

Net financial debt at 31 March 2022 stood at 441.1 million euro, an improvement of 7.5 million euro from 448.6 million euro at 31 March 2021. The net financial position at 31 December 2021 was 380.3 million euro, giving cash absorption of 60.7 million euro in the first quarter 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 31 March 2022 was 417.5 million euro (404.1 million euro at 31 December 2021).

In the first quarter, Piaggio Group **capital expenditure amounted to 26.6 million euro**, from 35.6 million euro in the first quarter of 2021.

Operations in the first quarter to 31 March 2022

In the first quarter to 31 March 2022, the Piaggio Group sold 141,800 vehicles worldwide (+5% from 135,000 in the year-earlier period), and reported consolidated net sales of 455.8 million euro. At geographical level, **the increase in volumes was particularly strong in Asia Pacific (+32.8%), followed by EMEA and Americas (+22.6%).** The Indian market continued to be affected by the negative repercussions of the pandemic and reported a downturn in sales volumes.

Two-wheelers:

As of 31 March 2022, the Group had sold 119,000 two-wheelers worldwide (+15.3% from 103,200 at 31 March 2021), generating net sales of 374,000 million euro, an increase of 26% from 296.9 million euro in the year-earlier first quarter.

The figure includes **spares and accessories**, on which **turnover totalled 29.4 million euro** (29.6 million euro at 31 March 2021).

Two-wheeler sales in the first quarter of 2022 were particularly strong in Asia Pacific (+32.8%), followed by EMEA (+27.6%) and Americas (+25.8%).

In Europe, the Piaggio Group confirmed its leadership in the scooter segment with a share of 21% and maintained a strong positioning on the North American scooter market, with a share of 25.3%. 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 reported an increase of more than 12.4% in global sales, driven primarily by the Vespa brand, which recorded a double-digit rise in volumes and significant performance in Europe, America and Asia Pacific (especially in Indonesia, China and Vietnam), and by Aprilia scooters.

In motorcycles, where overall sales rose by around 45%, Moto Guzzi reported a very strong first quarter, with volumes and net sales showing double-digit growth, thanks in particular to sales of the Moto Guzzi V7 and V85TT. The first quarter was 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 the excellent performance of Aprilia Racing in the MotoGP championship.

Commercial vehicles:

In commercial vehicles, the Piaggio Group reported sales volumes of 22,800 vehicles (-28.5% compared to the figure of 31,900 at 31 March 2021), with net sales of 81.8 million euro (-6.8% from 87.8 million euro at 31 March 2021). The figure includes spares and accessories, where turnover totalled 12.7 million euro (+12.8 million euro at 31 March 2021).

At geographical level, the EMEA and Americas markets reported turnover growth of more than 13%; on the Italian market in particular, sales of the new Porter NP6 were a key factor.

The reduction in sales volumes of commercial vehicles originated largely from a fall in volumes (-27.8%) in India, which is still affected by the pandemic.

The PVPL subsidiary had an overall share of 16.8% of the Indian three-wheeler market and maintained a strong position in the Cargo segment with a share of 32.2%.

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.

Significant events in and after the first quarter of 2022

Supplementing the information published above or at the time of approval of the 2021 draft financial statements (directors’ meeting of 2 March 2022), this section illustrates key events in and after the first quarter of 2022.

On 10 March, the Piaggio Group and Santander Consumer Finance (Santander) signed a long-term global cooperation agreement for the development of retail financial services to support the Piaggio Group’s commercial organisation and distribution network on local markets around the world.

On 15 March, the Rome Capital Local Police Corps presented the new Moto Guzzi V85TT motorcycles in their fleet at an event attended by the Mayor of Rome, Roberto Gualtieri, the Corps Commander Ugo Angeloni, the Deputy Commanders and the heads of the Local Police units. The fleet will be enhanced with 100 new two-wheelers as part of its modernisation and upgrading program.

On 18 March, at the first MotoGP race in Indonesia, the Piaggio Group announced the development of a new plant in Jakarta, on a 55,000 sq.m site. The facility is due to open by the end of the year. At the Lombok race-track, the Group also presented the new Aprilia SR GT to the Asian markets.

On 25 March, during the celebrations for the 30th anniversary of Italy's National Territorial Emergency Service (the so-called 118 service), Piaggio presented the Piaggio MP3 Life Support three-wheel scooter for the Italian Red Cross. The Piaggio MP3 Life Support is already used by the national emergency services in several countries, including the UK, France, Australia and Israel; with more than 650 Piaggio scooters, Israel has made the three-wheeler a key element of its emergency fleet.

On 3 April, Aprilia won the Argentina GP with Aleix Espargarò, its first victory in the MotoGP class. For the Noale-based company, one of the most successful names in motorcycle racing, this was the 295th win in world motor-racing, and the first in the new four-stroke age of the top two-wheeler championship after its countless victories in the 125 and 250 cc categories.

On 20 April, pre-booking opened for the exclusive Vespa Sprint designed by international popstar Justin Bieber. JUSTIN BIEBER X VESPA is available in 50, 125 and 150 cc displacements.

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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.

Outlook

Although it is difficult to provide guidance given the continuing difficulties relating to rising commodities prices, logistics, geopolitical tensions and developments in the pandemic, thanks to its unique brand portfolio, Piaggio will continue along its planned path of growth, confirming its planned investments in new products and new facilities and strengthening its commitment to ESG issues.

In this general situation, as always, the Group Piaggio will go on working 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 of the coming months.

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Conference call with analysts

The presentation of the financial results as at and for the three months to 31 March 2022, 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 and for the three months to 31 March 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.

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- ACCOUNTING SCHEDULES FOLLOW -

SCHEDULES

Consolidated Income Statement

	Q1 2022		Q1 2021	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
Net Sales	455,818		384,653	3
Cost of materials	291,801	14,001	235,420	3,706
Cost of services and use of third-party assets	65,076	307	57,960	556
Employee expense	65,310		60,671	
Depreciation and impairment property, plant and equipment	12,068		11,528	
Amortisation and impairment intangible assets	18,270		18,986	
Amortisation rights of use	2,073		1,985	
Other operating income	32,654	103	31,725	99
Impairment reversals (losses) net of trade and other receivables	(972)		(1,027)	
Other operating expense	5,237		5,263	11
EBIT	27,665		23,538	
Results of associates	(67)	(67)	51	51
Finance income	349		297	
Finance costs	5,695	20	6,510	27
Net exchange-rate gains/(losses)	(1,826)		1,121	
Profit before tax	20,426		18,497	
Income tax expense	7,762		7,399	
Profit from continuing operations	12,664		11,098	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	12,664		11,098	
Attributable to:				
Equity holders of the parent	12,664		11,098	
Minority interests	0		0	
Earnings per share (in €)	0.035		0.031	
Diluted earnings per share (in €)	0.035		0.031	

Consolidated Statement of Comprehensive Income

<i>In thousands of euro</i>	Q1 2022	Q1 2021
Profit (loss) for the period (A)	12,664	11,098
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	1,370	205
Total	1,370	205
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	(1,272)	4,010
Share of components of comprehensive income relating to equity-accounted investees	269	478
Total gains (losses) on cash flow hedges	594	2,935
Total	(409)	7,423
Other comprehensive income (expense) (B)*	961	7,628
Total comprehensive income (expense) for the period (A + B)	13,625	18,726
* Other comprehensive income (expense) takes account of the related tax effects		
Attributable to:		
Equity holders of the parent	13,653	18,718
Minority interests	(28)	8

Consolidated Statement of Financial Position

	At 31 March 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	720,662		720,209	
Property, plant and equipment	278,681		283,041	
Rights of use	30,853		30,727	
Investment property				
Equity investments	11,249		11,047	
Other financial assets	16		16	
Tax credits	10,187		8,904	
Deferred tax assets	72,829		72,479	
Trade receivables				
Other receivables	23,975	67	23,628	67
Total non-current assets	1,148,452		1,150,051	
Assets held for sale				
Current assets				
Trade receivables	130,115	514	71,225	610
Other receivables	57,314	20,226	57,273	20,018
Tax credits	26,411		17,542	
Inventories	350,683		278,538	
Other financial assets			176	
Cash and cash equivalents	220,895		260,868	
Total current assets	785,418		685,622	
Total Assets	1,933,870		1,835,673	

	<u>At 31 March 2022</u>		<u>At 31 December 2021</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	417,682		404,235	
Share capital and reserves attributable to minority interests	(177)		(149)	
Total Shareholders' equity	417,505		404,086	
Non-current liabilities				
Financial liabilities	519,812		532,213	
Financial liabilities for rights of use	14,334	1,933	14,536	2,220
Trade payables				
Other non-current provisions	16,067		17,364	
Deferred tax liabilities	9,961		7,495	
Pension funds and employee benefits	30,283		33,070	
Tax payables	1,387		1,387	
Other payables	12,823		12,760	
Total non-current liabilities	604,667		618,825	
Current liabilities				
Financial liabilities	119,786		86,840	
Financial liabilities for rights of use	8,034	1,349	7,601	1,319
Trade payables	681,454	20,636	623,564	16,829
Tax payables	19,013		16,976	
Other payables	68,848	14,879	63,425	15,037
Current portion of other non-current provisions	14,563		14,356	
Total current liabilities	911,698		812,762	
Total Shareholders' equity and Liabilities	1,933,870		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.

	Q1 2022		Q1 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	12,664		11,098	
Income tax expense	7,762		7,399	
Depreciation property, plant and equipment	12,068		11,528	
Amortisation of intangible assets	18,270		18,986	
Amortisation rights of use	2,073		1,985	
Allowances for risks, retirement funds and employee benefits	4,689		4,605	
Impairment losses / (Reversals)	972		1,029	
Losses / (Gains) realised on sale of property, plant and equipment	1		(36)	
Finance income	(349)		(297)	
Finance costs	5,695		6,510	
Income from public grants	(944)		(617)	
Share of results of associates	67		(51)	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(59,853)	96	(58,871)	(112)
(Increase)/Decrease in other receivables	(397)	(208)	(11,772)	14
(Increase)/Decrease in inventories	(72,145)		(76,770)	
Increase/(Decrease) in trade payables	57,890	3,807	103,608	(429)
Increase/(Decrease) in other payables	5,486	(158)	9,750	74
Increase/(Decrease) in provisions for risks	(3,779)		(2,010)	
Increase/(Decrease) in retirement funds and employee benefits	(3,044)		(2,817)	
Other movements	(9,953)		(11,327)	
Cash generated by operating activities	(22,827)		11,930	
Interest expense paid	(3,378)		(4,896)	
Tax paid	(6,044)		(5,615)	
Cash flow from operating activities (A)	(32,249)		1,419	
<i>Investing activities</i>				
Investment in property, plant and equipment	(7,826)		(10,654)	
Sale price or redemption value of property, plant and equipment	1		4,697	
Investment in intangible assets	(18,785)		(24,896)	
Sale price or redemption value of intangible assets	3		19	
Public grants collected	61		306	
Interest collected	356		97	
Cash flow from investing activities (B)	(26,190)		(30,431)	
<i>Financing activities</i>				
Own share purchases	(206)		0	
Loans received	56,073		40,253	
Outflow for loan repayments	(37,574)		(27,328)	
Payment of fees for rights of use	(2,004)		(2,811)	
Cash flow from financing activities (C)	16,289		10,114	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(42,150)		(18,898)	
Opening balance	260,856		228,906	
Exchange differences	182		6,172	
Closing balance	218,888		216,180	