

PRESS RELEASE

PIAGGIO GROUP: FIRST HALF 2023

Piaggio Group Chair and CEO Roberto Colaninno: *"The Piaggio Group has closed the seventh consecutive quarter to report growth¹, with its best results to date. At 30 June, net sales had risen by more than 11%, to over one billion euro, EBITDA was 191.2 million euro, with an EBITDA margin of 16.3%, and net profit was a first-half record of 64.8 million euro. For the rest of the year, all our factories will be applying the management productivity system that has enabled us to achieve larger profit margins without substantial price increases. We shall continue to move ahead with the investments set out in our strategic plans for electric mobility and ESG issues."*

- **Consolidated net sales up 11.3% to 1,172 million euro, the highest ever first-half result** (1,053.1 €/mln at 30.06.2022)
- **Industrial gross margin 332.6 million euro, up 20.1%** (227.1 €/mln at 30.06.2022), **with a 28.4% return on net sales** (26.3% at 30.06.2022)
- **EBITDA 191.2 million euro, the highest ever first-half result, with an improvement of 25.6%** (152.2 €/mln at 30.06.2022). **EBITDA margin 16.3%** (14.5% at 30.06.2022)
- **EBIT 117.6 million euro, up 37.1%** (85.8 €/mln at 30.06.2022). **EBIT margin 10%** (8.1% at 30.06.2022)
- **Profit before tax 98.2 million euro, +34.7%** (72.9 €/mln at 30.06.2022)
- **Net profit 64.8 million euro, the best-ever first-half result, up 43.4%** from 45.2 €/mln at 30.06.2022
- **Net financial position -384.4 €/mln, an improvement of 13 €/mln** from -397.4 €/mln at 30.06.2022.
- **324,600 vehicles shipped worldwide, up by 1.2%** (320,600 at 30.06.2022)
- **Capital expenditure approximately 65.8 million euro**
- **2023 interim dividend of 12.5 eurocents per ordinary share** (2022 interim dividend 8.5 eurocents)

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Pontedera, 27 July 2023 – 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 2023.

Piaggio Group business and financial performance at 30 June 2023²

Group consolidated net sales amounted to 1,172 million euro, the best result ever reported for the first half, with an improvement of 11.3% from 1,053.1 million euro at 30 June 2022. The

¹ Quarters whose consolidated net sales, industrial gross margin, EBITDA, EBIT and net profit increased with respect to the year-earlier periods.

² 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.

increase arose in **the EMEA and Americas region (+13.7%) and India (+20%), while turnover in the Asia Pacific region was substantially stable.**

The **industrial gross margin** was 332.6 million euro, an improvement of 20.1% (277.1 million euro in the year-earlier period), for a **return on net sales of 28.4%** (26.3% at 30 June 2022).

Group **operating expense** was 215 million euro (191.3 million euro in the first half of 2022). The rise in operating expense was linked to the increase in turnover and shipments.

The changes in the income statement described above generated **consolidated EBITDA of 191.2 million euro, the best ever recorded, with an increase of 25.6%** (152.2 million euro at 30 June 2022). The **EBITDA margin also improved, to 16.3%** (14.5% in the first six months of 2022).

EBIT amounted to 117.6 million euro, an improvement of 37.1% from 85.8 million euro at 30 June 2022. The **EBIT margin was 10%** (8.1% at 30 June 2022).

Pre-tax profit for the first half was 98.2 million euro, an increase of 34.7% (72.9 million euro in the year-earlier period). Income tax for the period was 33.4 million euro, with an impact on pre-tax profit of 34%.

In the first half of 2023 the Piaggio Group reported its best-ever half-year net profit, 64.8 million euro, up by 43.4% from 45.2 million euro at 30 June 2022.

Net financial debt at 30 June 2023 stood at -384.4 million euro, an improvement of 13 million euro from -397.4 million euro at 30 June 2022. The increase compared with net debt at 31 December 2022 (-368.2 million euro) was due to the seasonal nature of the two-wheeler business, which absorbs resources in the first half of the year and generates resources in the second half.

Group shareholders' equity at 30 June 2023 was 438.4 million euro (417.8 million euro at 31 December 2022).

In the first half, Piaggio Group **capital expenditure amounted to 65.8 million euro** (66.6 million euro in the year-earlier period).

Operations in the first six months to 30 June 2023

In the first half to 30 June 2023, the Piaggio Group sold 324,600 vehicles worldwide (320,600 in the first half of 2022), an increase of 1.2%, and reported **consolidated net sales of 1,172 million euro** (1,053.1 million euro at 30 June 2022). At geographical level, the volume growth in the EMEA & Americas region more than made up for the slight downturn on the Asian markets.

Two-wheelers:

In the first half to 30 June 2023, the Group sold 267,400 two-wheelers worldwide (-1.5% from 271,600 in the year-earlier period), but the different product mix generated a **9.2% increase in net sales to 956.1 million euro** (875.8 million euro at 30 June 2022).

The figure **includes spares and accessories**, on which turnover totalled **84.2 million euro** (+14% from 73.9 million euro in the first half of 2022).

Turnover on two-wheeler sales in the first six months was particularly strong in the EMEA & Americas area (+15.1%), with very healthy performance on the Italian market (+30%), followed by the American market (+9.2%).

In Europe, the Piaggio Group boosted its share of the scooter segment, with 23.3% of the total market (22.6% in the first half of 2022), while its share of the North American scooter market was 29.3%. 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 a 12.2% improvement in global turnover, led by the Piaggio Beverly, Medley and Liberty high-wheel scooters and the Piaggio MP3 three-wheeler, which achieved an overall turnover increase of almost 50%, and by the Vespa brand, with an improvement of more than 10%.

In motorcycles, Moto Guzzi reported strong performance, with turnover up by approximately 30%, thanks in part to the new Moto Guzzi V100 Mandello, while first-half sales at Aprilia were driven specifically by the RSV4 super sports model, the Aprilia RS 660, the Tuono 660 and 1100, and the Tuareg 600, with the latter also achieving important results in rally competitions.

Commercial vehicles:

In commercial vehicles, the Piaggio Group reported 2023 first-half sales volumes of 57,100 vehicles, up 16.6% (49,000 in the year-earlier period), with net sales of 215.9 million euro, up 21.8% from 177.3 million euro at 30 June 2022. The figure includes spares and accessories, where turnover totalled 30.8 million euro (+11.8% from 27.5 million euro in the first half of 2022).

At geographical level, the Indian market regained strength with turnover from commercial vehicles rising 34.7% and sales volumes up 20%. The EMEA & Americas region as a whole reported a 2% improvement in turnover.

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 half of 2023

Supplementing the information published above or at the time of approval of the interim report at 31 March 2023 (directors’ meeting of 5 May 2023), this section illustrates key events in and after the first half of 2023.

On 27 May 2023, at the Aprilia All Stars event held at the Misano race circuit, Aprilia and the Piaggio Group donated 200,000 euro to Italy’s civil defence corps for the communities hit by the floods in Emilia-Romagna.

On 8 June 2023, the RINA multinational inspection, certification and engineering consultancy and Aprilia Racing signed a two-year sponsorship and technical partnership agreement to develop innovative technologies in cutting-edge motorcycle racing.

On 14 June, the new Piaggio 1 E-Scooter was launched. The scooter features a battery, housed below the seat, which can be easily removed in seconds and carried into the home or office for recharging.

On 21 June, Vespa and Disney presented a collaboration for the development of a special project to celebrate Disney's centenary. Vespa paid homage to the anniversary with a special Vespa Mickey Mouse edition.

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Outlook

Although it is still difficult to provide guidance given the persistent difficulties caused by geopolitical tensions, thanks to its portfolio of iconic brands, Piaggio confirms that 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, in line with the first half of the year. The productivity improvements will enable to offset the temporary slowdown in the Asian region, which has maintained a compound annual growth rate of 23% in the last five years.

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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Interim dividend

Having approved the financial statements as at and for the six months to 30 June 2023 and the directors' report pursuant to art. 2344-bis of the Italian Civil Code, and received the opinion of the independent auditors, the Board of Directors **authorised distribution of a gross interim dividend for 2023 of 12.5 eurocents** to each entitled ordinary share (an interim dividend on ordinary shares of 8.5 eurocents was approved in 2022), for a total amount of Euro 44,312,256.13.

The ex-dividend date (coupon 21) is 18 September 2023; the record date is 19 September 2023 and the payment date is 20 September 2023.

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 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 half-year report as at and for the six months to 30 June 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.it and on the issuer’s website www.piaggiogroup.com (section “Investors/Financial Reports/2023”) as required by law.

* * *

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 six months to 30 June 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

	H1 2023		H1 2022	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
Net Sales	1,172,048	6	1,053,078	
Cost of materials	744,434	15,506	682,144	26,120
Cost of services and use of third-party assets	155,385	771	147,003	648
Employee expense	141,887		134,526	
Depreciation and impairment property, plant and equipment	27,072		24,787	
Amortisation and impairment intangible assets	40,903		36,984	
Amortisation rights of use	5,603		4,636	
Other operating income	80,619	202	76,021	269
Impairment reversals (losses) net of trade and other receivables	(2,226)		(1,292)	
Other operating expense	17,577	15	11,949	6
EBIT	117,580		85,778	
Results of associates	139	139	(80)	(80)
Finance income	1,309		584	
Finance costs	20,253	28	11,756	40
Net exchange-rate gains/(losses)	(612)		(1,642)	
Profit before tax	98,163		72,884	
Income tax expense	33,375		27,696	
Profit from continuing operations	64,788		45,188	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	64,788		45,188	
Attributable to:				
Equity holders of the parent	64,788		45,188	
Minority interests	0		0	
Earnings per share (in €)	0.183		0.127	
Diluted earnings per share (in €)	0.183		0.127	

Consolidated Statement of Comprehensive Income

<i>In thousands of euro</i>	H1 2023	H1 2022
Profit (loss) for the period (A)	64,788	45,188
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	67	3,342
Total	67	3,342
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	(2,086)	(416)
Share of components of comprehensive income relating to equity-accounted investees	(744)	408
Total gains (losses) on cash flow hedges	(5,840)	(1,580)
Total	(8,670)	(1,588)
Other comprehensive income (expense) (B)*	(8,603)	1,754
Total comprehensive income (expense) for the period (A + B)	56,185	46,942
* Other comprehensive income (expense) takes related tax effects into account.		
Attributable to:		
Equity holders of the parent	56,197	46,966
Minority interests	(12)	(24)

Consolidated Statement of Financial Position

	At 30 June 2023		At 31 December 2022	
	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	732,829		729,524	
Property, plant and equipment	283,816		291,366	
Rights of use	33,483		36,861	
Equity investments	9,308		9,913	
Other financial assets	16		16	
Tax credits	6,681		8,820	
Deferred tax assets	56,470		71,611	
Trade receivables				
Other receivables	18,558		20,021	
Total non-current assets	1,141,161		1,168,132	
Assets held for sale				
Current assets				
Trade receivables	137,618	470	67,143	468
Other receivables	54,947	26,339	56,118	26,293
Tax credits	50,081		45,101	
Inventories	378,379		379,678	
Other financial assets			59	
Cash and cash equivalents	249,728		242,616	
Total current assets	870,753		790,715	
Total Assets	2,011,914		1,958,847	

	At 30 June 2023		At 31 December 2022	
	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	438,555		417,977	
Share capital and reserves attributable to minority interests	(178)		(166)	
Total Shareholders' equity	438,377		417,811	
Non-current liabilities				
Financial liabilities	482,315		510,790	
Financial liabilities for rights of use	18,408	818	17,713	1,000
Trade payables				
Other non-current provisions	18,533		16,154	
Deferred tax liabilities	6,254		5,173	
Pension funds and employee benefits	24,856		25,714	
Tax payables				
Other payables	15,657		15,530	
Total non-current liabilities	566,023		591,074	
Current liabilities				
Financial liabilities	125,091		71,149	
Financial liabilities for rights of use	8,342	895	11,192	1,296
Trade payables	725,391	11,841	739,832	9,858
Tax payables	26,281		19,022	
Other payables	104,181	26,788	93,710	26,450
Current portion of other non-current provisions	18,228		15,057	
Total current liabilities	1,007,514		949,962	
Total Shareholders' equity and Liabilities	2,011,914		1,958,847	

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 2023		H1 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	64,788		45,188	
Income tax expense	33,375		27,696	
Depreciation property, plant and equipment	27,072		24,787	
Amortisation of intangible assets	40,903		36,564	
Amortisation rights of use	5,603		4,636	
Allowances for risks, retirement funds and employee benefits	16,238		10,106	
Impairment losses / (Reversals)	2,208		1,706	
Losses / (Gains) realised on sale of property, plant and equipment	(2,187)		(164)	
Finance income	(1,309)		(584)	
Finance costs	20,253		11,756	
Income from public grants	(2,808)		(2,784)	
Share of results of associates	(139)		80	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(70,994)	(2)	(78,158)	151
(Increase)/Decrease in other receivables	945	(46)	11,497	339
(Increase)/Decrease in inventories	1,299		(99,630)	
Increase/(Decrease) in trade payables	(14,441)	1,983	134,011	6,688
Increase/(Decrease) in other payables	10,598	338	12,572	(108)
Increase/(Decrease) in provisions for risks	(5,899)		(9,133)	
Increase/(Decrease) in retirement funds and employee benefits	(5,795)		(5,539)	
Other movements	(6,812)		(18,399)	
Cash generated by operating activities	112,898		106,208	
Interest expense paid	(15,519)		(11,259)	
Tax paid	(11,749)		(12,554)	
Cash flow from operating activities (A)	85,630		82,395	
<i>Investing activities</i>				
Investment in property, plant and equipment	(21,027)		(27,400)	
Sale price or redemption value of property, plant and machinery	2,483		698	
Investment in intangible assets	(44,816)		(39,243)	
Sale price or redemption value of intangible assets	43		24	
Public grants collected	466		579	
Interest collected	1,623		546	
Cash flow from investing activities (B)	(61,228)		(64,796)	
<i>Financing activities</i>				
Own share purchases	(158)		(3,552)	
Outflow for dividends paid	(35,461)		(23,203)	
Loans received	71,466		47,968	
Outflow for loan repayments	(46,118)		(63,740)	
Payment of fees for rights of use	(4,771)		(4,578)	
Cash flow from financing activities (C)	(15,042)		(47,105)	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	9,360		(29,506)	
Opening balance	242,552		260,856	
Exchange differences	(2,184)		5,303	
Closing balance	249,728		236,653	

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