

PRESS RELEASE

**PIAGGIO GROUP: FIRST HALF 2021**

**Piaggio Group Chairman and CEO Roberto Colaninno:** *“The Piaggio Group closed the first half of 2021 with very positive results at global level, confirming the strong recovery that began in the second half of last year. Two-wheeler sales were up 49% from 30 June 2020 and 12.5% from 30 June 2019, despite severe difficulties in the first half in India due to long periods of total lockdown throughout the country. All the key income statement indicators improved, debt was cut by more than 125 million euro from the first half of 2020 and at the same time capital expenditure increased. The market’s warm reception of our new products, at the cutting edge in terms of technology and Made in Italy style and design, demonstrates the success of the path we are following. Although the Covid pandemic risk remains high globally, the Group is therefore in a position to consolidate this positive trend over time.”*

- **Consolidated net sales 901.7 million euro, the best first-half result since 2007, up 50.3% (+54.3 % at constant exchange rates) (600.1 €/mln in H1 20) and up 10.4% from the first half of 2019**
- **Industrial gross margin 261.9 million euro, up 52.6% (+53% at constant exchange rates) (171.7 €/mln in H1 2020) 29.1% return on net sales (28.6% in H1 2020)**
- **EBITDA 144.6 million euro, up 74% (83.1 €/mln in H1 2020)  
EBITDA margin 16% (13.8% in H1 2020)**
- **EBIT 80.4 million euro (24.7 €/mln in H1 2020)  
EBIT margin 8.9% (4.1% in H1 2020)**
- **Profit before tax 70.2 million euro (15.1 €/mln in H1 2020)**
- **Net profit 43.5 million euro (9.1 €/mln in H1 20)**
- **Net financial position -401.9 €/mln, an improvement of 126.7 €/mln from -528.5 €/mln at 30.06.2020 and 21.8 €/mln from -423.6 €/mln at 31.12.2020)**
- **287,100 vehicles shipped worldwide, up by 36.5% (210,300 at 30.06.2020)**
- **Capital expenditure 69.1 million euro, up 30.7% (52.8 €/mln at 30.06.2020)**
- **2021 interim dividend of 8.5 eurocents per ordinary share (2020 interim dividend 3.7 eurocents)**

*Pontedera, 30 July 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 half-year report on operations as at and for the six months to 30 June 2021.

**Piaggio Group business and financial performance at 30 June 2021<sup>1</sup>**

<sup>1</sup> 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 **consolidated net sales** totalled **901.7 million euro**, the best first-half result since 2007, with a strong increase of 50.3% (+54.3% at constant exchange rates) against 600.1 million euro in the first half of 2020.

The **industrial gross margin** was **261.9 million euro**, up 52.6% (+53% at constant exchange rates) compared to 171.7 million euro at 30 June 2020. **The return on net sales was 29.1%** (28.6% at 30 June 2020).

Group **operating expense** in the first half to 30 June 2021 was **181.6 million euro**, an increase of 34.6 million euro from the first half of 2020, when operations at the production plants were suspended due to the lockdowns around the world. The increase was also driven by the rise in turnover and vehicle sales.

The income-statement figures described above produced **consolidated EBITDA of 144.6 million euro**, the best first-half result since 2007, with a strong increase of 74% from 83.1 million euro in the first half to 30 June 2020. The **EBITDA margin was 16%** (13.8% at 30 June 2020).

**EBIT** amounted to **80.4 million euro**, more than triple the result of 24.7 million euro at 30 June 2020. The **EBIT margin was 8.9%** (4.1% at 30 June 2020).

**Pre-tax profit** in the first half was **70.2 million euro**, a sharp increase from 15.1 million euro at 30 June 2020. Income tax for the period was 26.7 million euro, with an impact on pre-tax profit of about 38%.

The Piaggio Group posted a **net profit of 43.5 million euro**, its best first-half result since 2008, with a more than four-fold increase from 9.1 million euro in the first half of 2020.

**Net financial debt at 30 June 2021 stood at 401.9 million euro**, an improvement of 126.7 million euro from 528.5 million euro at 30 June 2020. Compared with the financial position at the end of the first half 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 absorption of a higher capital expenditure requirement. Compared with the net financial position at 31 December 2020 (423.6 million euro), the Group generated financial resources of 21.8 million euro.

**Group shareholders' equity at 30 June 2021 was 411.8 million euro** (372 million euro at 31 December 2020).

In the first half, Piaggio Group **capital expenditure amounted to 69.1 million euro**, an increase of 30.7% from expenditure of 52.8 million euro in the first half of 2020.

### **Operations in the first half to 30 June 2021**

**In the first half to 30 June 2021, the Piaggio Group sold 287,100 vehicles worldwide (+36.5% from 210,300 in the year-earlier period), and reported consolidated net sales of 901.7 million euro. The growth in volumes arose in all geographical regions.**

#### ***Two-wheelers:***

**As of 30 June 2021, the Piaggio Group had sold 242,800 two-wheelers worldwide (+49% from 163,000 at 30 June 2020), generating net sales of 761 million euro, an increase of 62.7% from 467.6 million euro in the year-earlier first half.**

The figure **includes spares and accessories**, on which turnover totalled **69.5 million euro**, an **increase of 29.6%** from 53.6 million euro in the year-earlier period.

**Two-wheeler sales in the first half of 2021 were particularly significant in all areas covered by the Group. Volumes grew by almost 25% on the European market, with an increase of about 50% in Italy. In Asia Pacific they rose by 66%, with the Chinese market reporting an increase of more than 90% and volumes more than doubling in America and India.**

**The Piaggio Group confirmed its leadership in the European scooter segment with a share of 23% and further strengthened its positioning on the North American scooter market, with a share of 35.1% (23.9% in the first half of 2020). In North America the Group is also working to consolidate its presence on the motorbike market with the Aprilia and Moto Guzzi brands.**

**On the scooter market, global sales rose by more than 50%, led by the Vespa brand, the three-wheel scooters, the new version of the Piaggio Beverly high-wheel scooter and the Aprilia scooters.**

**In motorcycles, the Aprilia brand reported an extremely successful first half, with the highest net sales since 2007 (more than double the year-earlier result and up by over 50% on the first half of 2019), thanks to the new 660 cc Aprilia RS and Aprilia Tuono, which won a particularly positive response from the market, and the Aprilia RSV4 supersport model, whose sales rose by more than 70%.**

**The Moto Guzzi brand achieved a record first half, with its highest-ever sales volumes and net sales, notably for the Moto Guzzi V7 and V85TT.**

#### ***Commercial vehicles:***

In **commercial vehicles**, the Piaggio Group reported first-half sales volumes of **44,200 vehicles** (-6.5% compared to 47,300 in the year-earlier period), with **net sales of 140.7 million euro** (+6.2% from 132.4 million euro at 30 June 2020). The figure **includes spares and accessories, on which turnover totalled 21.7 million euro, an increase of 24.2%** from 17.5 million euro in the year-earlier period.

At geographical level, **performance was positive in the EMEA and Americas area (+72.3% volumes; +57.1% net sales), benefiting from the marketing launch of the new Porter NP6.**

The slowdown in the commercial vehicles business was due to the slackening in India, where the Covid-19 health crisis worsened in the second quarter of the year, leading to a 16.8% fall in sales volumes in the first half to 30 June 2021.

Nevertheless, the PVPL subsidiary had an **overall share of 23.7% of the Indian three-wheeler market and confirmed its leadership in the Cargo segment with a share of 37.7%.**

#### ***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.

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 half of 2021**

Supplementing the information published above or at the time of approval of the interim report at 31 March 2021 (directors' meeting of 29 April 2021), this section illustrates key events in and after the first half of 2021.

On 19 May, the Vespa.com website won a prestigious Webby Award in the “Websites and Mobile Sites: Car Sites & Car Culture” category. Presented by the International Academy of Digital Arts and Sciences (IADAS), the leading international organisation rewarding excellence on the Internet, the Webby Awards have been described as “Internet’s highest honour” by the New York Times.

On 20 May, for the centenary of Moto Guzzi, two new “Moto Guzzi V85TT” motorcycles were presented to the President of the Italian Republic, Sergio Mattarella, at the Quirinale Palace. The new motorbikes will be used by the Corazzieri regiment.

On 24 May, the Piaggio Group previewed the new “Piaggio1” generation of electric scooters on the TIK TOK social network. The scooters, subsequently displayed at the Beijing Motor Show, implement the latest trends in urban and metropolitan mobility.

On 28 June the book *Moto Guzzi 100 Anni* (published by Rizzoli Illustrati) was presented in Milan. The elegantly bound volume spans a century of history with contributions from ten distinguished international figures celebrating their passion for Moto Guzzi.

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### **Outlook**

In a market context that remains positive, providing guidance remains complex given the uncertainty over the evolution of the pandemic, compounded by a series of difficulties such as the general rise in the cost of commodities and problems in transport logistics, especially from the Far East.

Against this general picture, in the year that it celebrates Moto Guzzi’s centenary and Vespa’s 75th anniversary, Piaggio will move ahead with the launch of the 11 new two-wheelers scheduled for 2021 and operations relating to the increase in expenditure announced at the beginning of the year with the new E-mobility department, the new factory in Indonesia and the complete restructuring of the Moto Guzzi production facility and museum areas.

Piaggio confirms that, as indicated when it published its first-quarter 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.

\* \* \*

**Piaggio & C. S.p.A.**

**Interim dividend**

Having approved the financial statements at 30 June 2021 and the directors' report pursuant to art. 2344-bis of the Italian Civil Code, the Board of Directors **approved distribution of an interim dividend for 2021 of 8.5 eurocents**, before taxation, to each entitled ordinary share (compared to an interim dividend of 3.7 eurocents in 2020), for a total amount of Euro 30,354,165.21.

The ex dividend date (coupon 17) is 20 September 2021; the record date is 21 September 2021 and the payment date is 22 September 2021.

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 for the first half to 30 June 2021, which will be illustrated during a conference call with financial analysts, is available on the corporate website at [www.piaggiogroup.com/it/investor](http://www.piaggiogroup.com/it/investor).

\* \* \*

The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at 30 June 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.

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- ACCOUNTING SCHEDULES FOLLOW -

## Consolidated Income Statement

	H1 2021		H1 2020	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
Net Sales	901,671	8	600,084	25
Cost of materials	(557,477)	(12,724)	(366,006)	(8,569)
Cost of services and use of third-party assets	(133,586)	(844)	(86,697)	(861)
Employee expense	(125,463)		(102,808)	
Depreciation and impairment property, plant and equipment	(22,673)		(19,902)	
Amortisation and impairment intangible assets	(37,457)		(34,341)	
Amortisation rights of use	(4,060)		(4,159)	
Other operating income	74,406	246	49,119	316
Impairment reversals (losses) net of trade and other receivables	(1,299)		(707)	
Other operating expense	(13,701)	(14)	(9,897)	(15)
<b>EBIT</b>	<b>80,361</b>		<b>24,686</b>	
Results of associates	412	433	564	564
Finance income	508		861	
Finance costs	(13,221)	(53)	(14,178)	(82)
Net exchange-rate gains/(losses)	2,103		3,190	
<b>Profit before tax</b>	<b>70,163</b>		<b>15,123</b>	
Income tax expense	(26,662)		(6,049)	
<b>Profit from continuing operations</b>	<b>43,501</b>		<b>9,074</b>	
Discontinued operations:				
Profit or loss from discontinued operations				
<b>Profit (loss) for the period</b>	<b>43,501</b>		<b>9,074</b>	
<b>Attributable to:</b>				
Equity holders of the parent	43,501		9,074	
Minority interests	0		0	
Earnings per share (in €)	0.122		0.025	
Diluted earnings per share (in €)	0.122		0.025	

## Consolidated Statement of Comprehensive Income

<i>In thousands of euro</i>	H1 2021	H1 2020
<b>Profit (loss) for the period (A)</b>	<b>43,501</b>	<b>9,074</b>
<b>Items that cannot be reclassified to profit or loss</b>		
Re-measurement of defined benefit plans	194	195
<b>Total</b>	<b>194</b>	<b>195</b>
<b>Items that may be reclassified to profit or loss</b>		
Gains (losses) on translation of financial statements of foreign entities	1,837	(4,859)
Share of components of comprehensive income relating to equity-accounted investees	493	(142)
Total gains (losses) on cash flow hedges	3,101	98
<b>Total</b>	<b>5,431</b>	<b>(4,903)</b>
<b>Other comprehensive income (expense) (B)*</b>	<b>5,625</b>	<b>(4,708)</b>
<b>Total comprehensive income (expense) for the period (A + B)</b>	<b>49,126</b>	<b>4,366</b>
* Other comprehensive income (expense) takes related tax effects into account.		
<b>Attributable to:</b>		
Equity holders of the parent	49,138	4,311
Minority interests	(12)	55

## Consolidated Statement of Financial Position

	At 30 June 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>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	706,322		695,646	
Property, plant and equipment	264,489		264,616	
Rights of use	32,953		33,241	
Investment property			4,600	
Equity investments	10,060		9,134	
Other financial assets	16		37	
Tax credits	10,318		12,399	
Deferred tax assets	55,874		64,686	
Trade receivables				
Other receivables	22,865	67	26,260	81
<b>Total non-current assets</b>	<b>1,102,897</b>		<b>1,110,619</b>	
<b>Assets held for sale</b>				
<b>Current assets</b>				
Trade receivables	133,945	657	68,692	423
Other receivables	59,637	16,538	44,241	16,274
Tax credits	24,418		12,851	
Inventories	262,342		189,864	
Other financial assets	2,445		2,617	
Cash and cash equivalents	226,441		230,093	
<b>Total current assets</b>	<b>709,228</b>		<b>548,358</b>	
<b>Total Assets</b>	<b>1,812,125</b>		<b>1,658,977</b>	



	<u>At 30 June 2021</u>		<u>At 31 December 2020</u>	
	<i>Total</i>	<i>of which related parties</i>	<i>Total</i>	<i>of which related parties</i>
<i>In thousands of euro</i>				
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Share capital and reserves attributable to equity holders of the parent	411,959		372,159	
Share capital and reserves attributable to minority interests	(159)		(147)	
<b>Total Shareholders' equity</b>	<b>411,800</b>		<b>372,012</b>	
<b>Non-current liabilities</b>				
Financial liabilities	437,361		465,776	
Financial liabilities for rights of use	17,523	2,866	17,994	3,512
Trade payables				
Other non-current provisions	13,012		12,543	
Deferred tax liabilities	7,812		5,227	
Pension funds and employee benefits	33,110		34,998	
Tax payables	4,255			
Other payables	11,745		11,094	
<b>Total non-current liabilities</b>	<b>524,818</b>		<b>547,632</b>	
<b>Current liabilities</b>				
Financial liabilities	168,496		163,510	
Financial liabilities for rights of use	7,363	1,305	8,582	1,952
Trade payables	603,711	12,392	489,964	5,770
Tax payables	18,542		12,987	
Other payables	60,411	4,397	46,316	4,058
Current portion of other non-current provisions	16,984		17,974	
<b>Total current liabilities</b>	<b>875,507</b>		<b>739,333</b>	
<b>Total Shareholders' equity and Liabilities</b>	<b>1,812,125</b>		<b>1,658,977</b>	

## 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 2021		H1 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	43,501		9,074	
Income tax expense	26,662		6,049	
Depreciation property, plant and equipment	22,673		19,902	
Amortisation of intangible assets	37,457		34,341	
Amortisation rights of use	4,060		4,159	
Allowances for risks, retirement funds and employee benefits	12,135		7,299	
Impairment losses / (Reversals)	1,300		2,614	
Losses / (Gains) realised on sale of property, plant and equipment	(46)		2	
Finance income	(508)		(861)	
Finance costs	13,221		14,178	
Income from public grants	(1,426)		(2,033)	
Share of results of associates	(433)		(564)	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(66,420)	(234)	(43,299)	(133)
(Increase)/Decrease in other receivables	(12,134)	(250)	(4,468)	(282)
(Increase)/Decrease in inventories	(72,478)		(26,569)	
Increase/(Decrease) in trade payables	113,747	6,622	(19,177)	1,978
Increase/(Decrease) in other payables	14,746	339	3,585	31
Increase/(Decrease) in provisions for risks	(9,105)		(3,122)	
Increase/(Decrease) in retirement funds and employee benefits	(5,398)		(5,032)	
Other movements	(2,939)		6,174	
<b>Cash generated by operating activities</b>	<b>118,615</b>		<b>2,252</b>	
Interest expense paid	(12,201)		(11,889)	
Tax paid	(11,010)		(11,170)	
<b>Cash flow from operating activities (A)</b>	<b>95,404</b>		<b>(20,807)</b>	
<i>Investing activities</i>				
Investment in property, plant and equipment	(21,426)		(16,540)	
Sale price or redemption value of property, plant and equipment	5,610		150	
Investment in intangible assets	(47,625)		(36,281)	
Sale price or redemption value of intangible assets	59		5	
Public grants collected	889		796	
Interest collected	306		146	
<b>Cash flow from investing activities (B)</b>	<b>(62,187)</b>		<b>(51,724)</b>	
<i>Financing activities</i>				
Own share purchases	(53)		(217)	
Outflow for dividends paid	(9,285)		(19,642)	
Loans received	83,030		110,998	
Outflow for loan repayments	(107,781)		(47,147)	
Payment of fees for rights of use	(5,432)		(3,363)	
<b>Cash flow from financing activities (C)</b>	<b>(39,521)</b>		<b>40,629</b>	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(6,304)		(31,902)	
<b>Opening balance</b>	<b>228,906</b>		<b>190,728</b>	
Exchange differences	3,839		(179)	
<b>Closing balance</b>	<b>226,441</b>		<b>158,647</b>	