

PRESS RELEASE

**PIAGGIO GROUP: 2019 DRAFT FINANCIAL STATEMENTS<sup>1</sup>**

**In 2019, the Piaggio Group reported a significant improvement in performance from the previous year, with progress on all the main earnings indicators, an increase in net profit, higher capital expenditure and a reduction in debt.**

**Consolidated net sales 1,521.3 million euro, up 9.5% (1,389.5 €/mln in 2018)**

**Industrial gross margin 458.8 million euro, up 8.3%**  
**(423.6 €/mln in 2018), 30.2% return on net sales**

**Ebitda 227.8 million euro, up 12.9% (220.2 €/mln ex IFRS 16)**  
**(201.8 €/mln in 2018). Ebitda margin 15% (14.5% in 2018)**  
**The highest Ebitda margin result since 2006 (IPO date)**

**Ebit 104.5 million euro, up 12.7%**  
**(103.9€/mln ex IFRS 16)**  
**(92.8 €/mln in 2018). Ebit margin 6.9% (6.7% in 2018)**

**Profit before tax 80.7 million euro, up 18.9%**  
**(67.8 €/mln in 2018)**

**Net profit 46.7 million euro, up 29.6% (36.1 €/mln in 2018)**

**Adjusted net financial position<sup>2</sup> -389.7 €/mln, an improvement of 39.5 €/mln**  
**from -429.2 €/mln at 31 December 2018**

**611,300 vehicles shipped worldwide, an increase of 1.3% (603,600 in 2018)**

**Capital expenditure 140.9 million euro, up 22.2% (115.3 €/mln in 2018)**

**Proposed final per-share dividend 5.5 eurocents**  
**(total per-share dividend for the year, including the interim payout, 11 eurocents)**

\* \* \*

**Authorisation for the purchase and sale of own shares**

*Pontedera, 26 February 2020* - At a meeting today chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. (PIA.MI) examined and approved the 2019 draft financial statements.

**Piaggio Group business and financial performance at 31 December 2019<sup>3</sup>**

<sup>1</sup>The results of operations, equity and financial figures for the year ended 31 December 2019 reflect the effects of IFRS 16 on the accounting treatment of operating leases. For the purposes of comparison with the year ended 31 December 2018, which has not been restated in accordance with the new reporting standard, the related effects are highlighted in the comments on the individual items.

<sup>2</sup> Adjusted net financial position: Net financial position at 31 December 2019 net of 20.4 €/mln from application of IFRS 16 as from 1 January 2019 and net of 19.6 €/mln as a result of a change in the dividend distribution policy introduced in July 2019.

<sup>3</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 **1,521.3 million euro**, an **improvement of 9.5%** from 1,389.5 million euro in the year ended 31 December 2018 (+7.7% at constant exchange rates).

The **industrial gross margin** was **458.8 million euro**, up by **8.3%** (+7% at constant exchange rates) from 423.6 million euro in 2018. **The return on net sales was 30.2%** (30.5% in 2018).

Group **operating expense** in 2019 was **354.3 million euro** (330.8 million euro).

The changes in the income statement described above generated **consolidated Ebitda of 227.8 million euro**, up by **12.9%** (+11.6% at constant exchange rates) from 201.8 million euro in 2018. **The Ebitda margin was 15%, the highest result since 2006 (IPO date)** (14.5% at 31 December 2018).

Excluding the effects of IFRS 16, Ebitda would have been 220.2 million euro.

**Ebit** amounted to **104.5 million euro**, an **improvement of 12.7%** from 92.8 million euro in 2018. **The Ebit margin was 6.9%** (6.7% at 31 December 2018). Excluding the effects of IFRS 16, Ebit would have been 103.9 million euro.

**Profit before tax** in 2019 was **80.7 million euro**, an **increase of 18.9%** from 67.8 million euro in 2018. Income tax for the period was 33.9 million euro, with an impact on pre-tax profit of 42.1%.

Piaggio Group **net profit** for 2019 was **46.7 million euro**, an **increase of 29.6%** from 36.1 million euro in 2018.

Net debt at 31 December 2019 was 429.7 million euro, in line with the position at 31 December 2018 (429.2 million euro), despite the effect of 20.4 million euro arising from the application of IFRS 16, and the effect of 19.6 million euro arising from the change to the dividend policy introduced in July 2019.

**Excluding these effects, adjusted net debt was 389.7 million euro, an improvement of 39.5 million euro from 31 December 2018.**

Group shareholders' equity at 31 December 2019 was 383.8 million euro (392 million euro at 31 December 2018).

Piaggio Group **capital expenditure** amounted to **140.9 million euro in 2019**, an **increase of 22.2%** from 115.3 million euro in 2018.

### **Business performance in the year ended 31 December 2019**

In the year ended 31 December 2019, the **Piaggio Group sold 611,300 vehicles worldwide**, an **increase of 1.3%** (603,600 shipments in 2018), and reported consolidated net sales of 1,521.3 million euro.

During the year, the Group reported strong growth in net sales, especially in **Asia Pacific on two-wheelers (+23.2%)**, followed by the **EMEA and Americas area (+8.8%)** and **India (+4.8%)**.

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

**In 2019, the Group sold 399,600 two-wheelers worldwide**, an **increase of 1.6%** (393,100 in 2018), generating **net sales of 1,055.1 million euro** (+10.1% from 957.9 million euro in 2018). The figure **includes spares and accessories**, on which turnover totalled **132.1 million euro**, an **increase of 5.5%**.

In 2019 the Piaggio Group reported **excellent performance in two-wheelers in the Asia Pacific area (+14.5% sales volumes, +23.2% net sales) and positive performance in the EMEA and Americas area (+2.4% sales volumes, +8.3% net sales)**, whereas there was a slight slowdown on the Indian market.

**In Europe, the Piaggio Group confirmed its leadership of the scooter segment with a share of 24.1%; on the North American scooter market, it maintained a strong position with a share of 23.7%, and remained committed to consolidating its presence in motorcycles with the Aprilia and Moto Guzzi brands.**

Progress was reported in the **scooter segment, with net sales rising 8.1%**, largely as a result of the strong performance of the **Piaggio Mp3 three-wheeler, the Piaggio Liberty high-wheel scooter, the Vespa brand and the Aprilia scooters.**

The Group **motorcycle business** closed 2019 with a **rise of 24.6% in net sales**, largely thanks to the **Moto Guzzi brand, where turnover was given an important boost by the new Moto Guzzi V85TT. Results also improved for the Aprilia brand, driven by sales of the SX 125, RSV4 1000 and Shiver models.**

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

In **commercial vehicles**, the Piaggio Group reported sales volumes of **211,700 vehicles, in line with the previous year (210,500 at 31 December 2018)**, for **net sales of 466.2 million euro, up 8% from 431.6 million euro in 2018**. The figure includes **spares and accessories**, where **sales totalled 51.4 million euro, up 7.8%**.

At geographical level, the strongest growth was reported in the **EMEA and Americas area (+17.4% volumes; +13% turnover)**. In **India**, the Piaggio Group sold **192,500 commercial vehicles, for a turnover increase of 6.7%** despite a slight contraction in sales volumes (-0.8%). The PVPL subsidiary had an **overall share of 23.9% of the Indian three-wheeler market and confirmed its leadership in the Cargo segment with a share of 41.8%**.

#### ***Piaggio Fast Forward:***

**Piaggio Fast Forward (PFF)**, the Piaggio Group robotics and future mobility company based in Boston, launched **Gita, its first innovative project**, on the market in November. **Gita is 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 kg/hour and with a 4-hour battery life.**

Gita robots are produced in the new Piaggio Fast Forward facility in the Charlestown district of Boston; the **first phase of marketing is focused on the US market**, where the circulation of robots on city streets is already regulated.

#### **Significant events in and after 2019**

Supplementing the information published above or at the time of approval of the 2019 third-quarter results (directors' meeting of 30 October 2019), this section illustrates key events in and after 2019.

On 05 November 2019, the Piaggio Group presented a number of new products at the EICMA tradeshow in Milan. Key products in the motorcycle segment were the Aprilia RS 660 mid-range sports roadster, the Aprilia Tuono 660 concept and the Moto Guzzi V85TT Travel, an accessorised version of Moto Guzzi's classic enduro. In scooters, the Group presented the new Piaggio Medley (on which the latest development in the Piaggio I-Get engine family makes its debut, in 125 cc and

150 cc versions), the Vespa Primavera Sean Wotherspoon (a special edition from one of the most creative and influential contemporary designers), the Vespa Racing Sixties special series and the Vespa Elettrica 70km/h scooter with motorcycle type-approval, which flanks the original 45km/h model.

On 18 December 2019, the new Ape E-City, the full-electric version of the Piaggio three-wheeler, which marks the Group's entry on to the Indian electric commercial vehicle market, was presented in New Delhi. The Ape E-City features battery-swap technology, enabling a depleted battery to be replaced in minutes with a charged battery at automated service stations.

On 24 January 2020, the Group announced the start-up of the production in India of three-wheel vehicles compliant with the new Bharat Stage VI emissions norms, making Piaggio the first three-wheeler maker in the country to have upgraded its entire range to the new standards.

At the international Auto Expo 2020 tradeshow in Delhi, on 10 February 2020 the new Aprilia SXR 160 scooter for the Indian market, was presented. The new model broadens the offer and numeric potential of the range of high-end products, previously represented in India by Vespa and Aprilia SR 150.

\* \* \*

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

In 2019, the parent reported net sales of 863.8 million euro and net profit of 46.2 million euro.

**The Board of Directors will ask the shareholders to approve a final gross dividend of 5.5 eurocents per entitled ordinary share** (additional to the interim dividend of 5.5 eurocents paid on 25 September 2019, ex-dividend date 23 September 2019), **for a total dividend for 2019 of 11 eurocents**, equivalent to a total amount of 39,299,405.86 euro. The ex-dividend date (coupon no.14) is 20 April 2020, the record date is 21 April 2020 and the payment date is 22 April 2020.

\* \* \*

#### **Outlook**

Despite a probable impact on the world economy from the Covid-19 virus (also known as Coronavirus), at least in the first part of the year, the Group is managing the effects on its supply chain without any particular impacts on its production facilities (located in Italy, India and Vietnam), and will continue to take action to strengthen its positioning on the global markets.

Furthermore, considering the product portfolio and its diversified international production and commercial presence, which will enable it to mitigate any negative effects, the Group is committed to:

- confirming its leadership position on the European two-wheeler market, taking full advantage of the expected recovery by further strengthening its scooter and motorcycle range;
- maintaining its current positions on the European commercial vehicles market by strengthening the sales network;
- consolidating its presence in Asia Pacific, by exploring new opportunities in countries in the region, with a particular focus on the premium segment of the market;
- increasing sales on the Indian scooter market thanks to the Vespa and Aprilia offers;
- growing the penetration of commercial vehicles in India, in part through the introduction of new engine displacements.

From the technological viewpoint, the Piaggio Group will continue research on new solutions to current and future mobility problems, through the work of Piaggio Fast Forward (Boston) and new advances in design at the PADc (Piaggio Advanced Design Center) in Pasadena.

More generally, the Group maintains the commitment that has always characterised its operations to grow productivity once again in 2020, with close attention to cost and investment efficiency, and will carefully monitor the situation in order to take any necessary action to guarantee the satisfaction of all Group stakeholders.

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### **Authorisation for the purchase and sale of own shares**

At today's meeting, the Board of Directors agreed to present to the shareholders' meeting a proposal for the renewal of the authorisation for the purchase and sale of own shares granted by the Annual General Meeting of 12 April 2019, which is due to expire on 12 October 2020. The proposal aims to provide the company with a useful strategic investment opportunity for the purposes allowed under law, including the purposes contemplated in art. 5 of EU Regulation 596/2014 (Market Abuse Regulation, hereinafter "MAR") and in the practices allowed under art. 13 MAR, and also for purchases of own shares for subsequent cancellation.

Authorisation to purchase own sales will be requested for a period of 18 months, as from the shareholder resolution date; authorisation to sell own shares will be requested for an unlimited period. As of today, the company holds 898,818 own shares.

All information concerning the terms and procedures of the authorisation will be set out in the Illustrative Report on Own Share Purchases, to be made available to shareholders within the terms envisaged by current laws.

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### **Conference call with analysts**

The presentation of the financial results as at and for the year ended 31 December 2019, 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 and for the year ended 31 December 2019 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 guidance 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 2018 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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## SCHEDULES

### Consolidated Income Statement

	2019		2018	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
Net Sales	1,521,325	112	1,389,546	2,772
Cost of materials	(927,511)	(14,377)	(838,270)	(20,026)
Cost of services and use of third-party assets	(239,086)	(2,227)	(222,974)	(3,817)
Employee expense	(228,323)		(218,224)	
Depreciation and impairment property, plant and equipment	(42,735)		(40,982)	
Amortisation and impairment intangible assets	(72,695)		(68,005)	
Amortisation rights of use	(7,854)			
Other operating income	124,118	436	114,014	423
Impairment reversals (losses) net of trade and other receivables	(2,629)		(2,212)	
Other operating expense	(20,064)	(20)	(20,115)	(97)
<b>EBIT</b>	<b>104,546</b>		<b>92,778</b>	
Results of associates	1,030	919	482	474
Finance income	3,495	21	7,775	17
Finance costs	(28,193)	(207)	(33,378)	(82)
Net exchange-rate gains/(losses)	(194)		193	
<b>Profit before tax</b>	<b>80,684</b>		<b>67,850</b>	
Income tax expense	(33,935)	6,121	(31,775)	3,808
<b>Profit from continuing operations</b>	<b>46,749</b>		<b>36,075</b>	
Discontinued operations:				
Profit or loss from discontinued operations				
<b>Profit (loss) for the period</b>	<b>46,749</b>		<b>36,075</b>	
Attributable to:				
Equity holders of the parent	46,749		36,075	
Minority interests	0		0	
Earnings per share (in €)	0.131		0.101	
Diluted earnings per share (in €)	0.131		0.101	

## Consolidated Statement of Comprehensive Income

	2019	2018
<i>In thousands of euro</i>		
<b>Profit (loss) for the period (A)</b>	<b>46,749</b>	<b>36,075</b>
<b>Items that cannot be reclassified to profit or loss</b>		
Re-measurement of defined benefit plans	(2,453)	(1,019)
<b>Total</b>	<b>(2,453)</b>	<b>(1,019)</b>
<b>Items that may be reclassified to profit or loss</b>		
Gains (losses) on translation of financial statements of foreign entities	(347)	(3,027)
Share of components of Comprehensive Income relating to equity-accounted investees	61	(88)
Total gains (losses) on cash flow hedges	85	206
<b>Total</b>	<b>(201)</b>	<b>(2,909)</b>
<b>Other comprehensive income (expense) (B)*</b>	<b>(2,654)</b>	<b>(3,928)</b>
<b>Total comprehensive income (expense) for the period (A + B)</b>	<b>44,095</b>	<b>32,147</b>
* Other comprehensive income (expense) taking related tax effects into account		
<b>Attributable to:</b>		
Equity holders of the parent	44,092	32,122
Minority interests	3	25

## Consolidated Statement of Financial Position

	At 31 December 2019		At 31 December 2018	
	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	676,183		658,888	
Property, plant and equipment	263,496		266,198	
Rights of use	36,486			
Investment property	9,203		10,269	
Equity investments	8,910		7,934	
Other financial assets	3,512		6,029	
Non-current tax receivables	14,114		17,399	
Deferred tax assets	63,190		59,250	
Trade receivables				
Other receivables	13,638	81	16,625	94
<b>Total non-current assets</b>	<b>1,088,732</b>		<b>1,042,592</b>	
<b>Assets held for sale</b>				
<b>Current assets</b>				
Trade receivables	78,195	992	86,557	1,264
Other receivables	31,706	14,601	33,507	15,262
Current tax receivables	18,538		7,368	
Inventories	214,682		224,108	
Other financial assets	3,789		2,805	
Cash and cash equivalents	190,746		188,740	
<b>Total current assets</b>	<b>537,656</b>		<b>543,085</b>	
<b>Total Assets</b>	<b>1,626,388</b>		<b>1,585,677</b>	

		At 31 December 2019		At 31 December 2018
		<b>Total</b>	<i>of which related parties</i>	<b>Total</b>
<i>In thousands of euro</i>	<i>Note</i>			
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Share capital and reserves attributable to equity holders of the parent	45	384,015		392,163
Share capital and reserves attributable to minority interests	45	(208)		(211)
<b>Total shareholders' equity</b>		<b>383,807</b>		<b>391,952</b>
<b>Non-current liabilities</b>				
Borrowings due after one year	42	463,587		512,498
Financial liabilities for rights of use	42	19,996	4,579	
Trade payables	30			
Other non-current provisions	31	12,116		9,504
Deferred tax liabilities	32	7,762		2,806
Pension funds and employee benefits	33	38,997		41,306
Tax payables	34			
Other non-current payables	35	6,437		5,939
<b>Total non-current liabilities</b>		<b>548,895</b>		<b>572,053</b>
<b>Current liabilities</b>				
Borrowings due within one year	42	135,033		113,502
Financial liabilities for rights of use	42	8,408	1,553	
Trade payables	30	478,688	5,701	432,722
Tax payables	34	14,934		14,635
Other current liabilities	35	42,171	23	48,220
Current portion of other non-current provisions	31	14,452		12,593
<b>Total current liabilities</b>		<b>693,686</b>		<b>621,672</b>
<b>Total Shareholders' equity and Liabilities</b>		<b>1,626,388</b>		<b>1,585,677</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.

	2019		2018	
	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	46,749		36,075	
Income tax expense	33,935		31,775	
Depreciation property, plant and equipment	40,441		40,360	
Amortisation of intangible assets	70,356		65,574	
Amortisation rights of use	7,854		0	
Allowances for risks, retirement funds and employee benefits	21,278		18,540	
Impairment losses / (Reversals)	8,210		6,503	
Losses / (Gains) realised on sale of property, plant and equipment	(3)		137	
Finance income	(3,495)		(7,775)	
Dividend income	(111)		(8)	
Finance costs	28,193		33,378	
Income from public grants	(5,194)		(4,565)	
Share of results of associates	(919)		(474)	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	5,997	272	(4,388)	810
(Increase)/Decrease in other receivables	(2,902)	674	(11,429)	(5,212)
(Increase)/Decrease in inventories	9,426		(5,486)	
Increase/(Decrease) in trade payables	45,966	(2,701)	20,947	(973)
Increase/(Decrease) in other payables	(5,551)	(6,702)	2,114	(1,150)
Increase/(Decrease) in provisions for risks	(8,743)		(7,812)	
Increase/(Decrease) in retirement funds and employee benefits	(13,508)		(12,126)	
Other movements	5,920		4,851	
<b>Cash generated by operating activities</b>	<b>283,899</b>		<b>206,191</b>	
Interest expense paid	(35,103)		(31,168)	
Tax paid	(33,126)		(26,974)	
<b>Cash flow from operating activities (A)</b>	<b>215,670</b>		<b>148,049</b>	
<i>Investing activities</i>				
Investment in property, plant and equipment	(50,992)		(37,148)	
Sale price or redemption value of property, plant and equipment	179		860	
Investment in intangible assets	(89,880)		(78,130)	
Sale price or redemption value of intangible assets	66		72	
Public grants collected	2,697		2,845	
Purchase financial assets	0		(1)	
Dividends collected	111		8	
Interest collected	3,285		510	
<b>Cash flow from investing activities (B)</b>	<b>(134,534)</b>		<b>(110,984)</b>	
<i>Financing activities</i>				
Own share purchases	(212)		(1,537)	
Outflow for dividends paid	(51,805)		(19,698)	
Loans received	63,081		166,148	
Outflow for loan repayments	(82,217)		(120,343)	
Payment of fees for rights of use	(8,557)		(1,145)	
<b>Cash flow from financing activities (C)</b>	<b>(79,710)</b>		<b>23,425</b>	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	1,426		60,490	
<b>Opening balance</b>	<b>188,386</b>		<b>127,894</b>	
Exchange differences	916		2	
<b>Closing balance</b>	<b>190,728</b>		<b>188,386</b>	

## Parent Company Income Statement

	2019		2018	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
<b>Net Sales</b>	<b>863,811</b>	<b>86,139</b>	<b>799,573</b>	<b>86,618</b>
Cost of materials	(533,455)	(102,680)	(480,289)	(94,099)
Cost of services and use of third-party assets	(171,244)	(44,769)	(163,360)	(41,618)
Employee expense	(157,381)		(157,161)	
Depreciation and impairment property, plant and equipment	(22,671)		(23,237)	
Amortisation and impairment intangible assets	(66,103)		(61,314)	
Amortisation rights of use	(3,435)			
Other operating income	123,787	49,104	113,305	36,827
Impairment reversals (losses) net of trade and other receivables	(1,473)		(1,943)	
Other operating expense	(14,454)	(542)	(12,847)	(859)
<b>EBIT</b>	<b>17,382</b>		<b>12,727</b>	
Results of associates	47,926	47,816	45,148	45,140
Finance income	1,653	1,420	5,607	554
Finance costs	(21,712)	(201)	(26,445)	(82)
Net exchange-rate gains/(losses)	(1,301)		(447)	
<b>Profit before tax</b>	<b>43,948</b>		<b>36,590</b>	
Income tax expense	2,263	5,589	(1,012)	3,808
<b>Profit from continuing operations</b>	<b>46,211</b>		<b>35,578</b>	
Discontinued operations:				
Profit or loss from discontinued operations				
<b>Profit (loss) for the period</b>	<b>46,211</b>		<b>35,578</b>	

## Parent Company Statement of Comprehensive Income

	2019	2018
<i>In thousands of euro</i>		
<b>Profit (loss) for the period (A)</b>	<b>46,211</b>	<b>35,578</b>
<b>Items that cannot be reclassified to profit or loss</b>		
Re-measurement of defined benefit plans	(2,055)	(750)
Share of components of comprehensive income relating to equity-accounted investees	(403)	(293)
<b>Total</b>	<b>(2,458)</b>	<b>(1,043)</b>
<b>Items that may be reclassified to profit or loss</b>		
Total gains (losses) on cash flow hedges	85	206
Share of components of comprehensive income relating to equity-accounted investees	27	(2,714)
<b>Total</b>	<b>112</b>	<b>(2,508)</b>
<b>Other comprehensive income (expense) (B)*</b>	<b>(2,346)</b>	<b>(3,551)</b>
<b>Total comprehensive income (expense) for the period (A + B)</b>	<b>43,865</b>	<b>32,027</b>

\* Other comprehensive income (expense) taking related tax effects into account

## Parent Company Statement of Financial Position

	At 31 December 2019		At 31 December 2018	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	570,106		558,845	
Property, plant and equipment	159,487		169,362	
Rights of use	18,228			
Investment property				
Equity investments	156,129		152,140	
Other financial assets	3,801	289	6,029	
Non-current tax receivables	8,024		10,348	
Deferred tax assets	44,752		41,855	
Other receivables	9,923	81	6,059	94
<b>Total non-current assets</b>	<b>970,450</b>		<b>944,638</b>	
<b>Assets held for sale</b>				
<b>Current assets</b>				
Trade receivables	43,599	20,616	48,063	22,978
Other receivables	88,617	80,741	64,923	55,164
Current tax receivables	11,399		3,086	
Inventories	154,901		166,463	
Other financial assets	15,878	12,407	14,797	11,993
Cash and cash equivalents	18,843		22,944	
<b>Total current assets</b>	<b>333,237</b>		<b>320,276</b>	
<b>TOTAL ASSETS</b>	<b>1,303,687</b>		<b>1,264,914</b>	

	At 31 December 2019		At 31 December 2018	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Share capital	207,614		207,614	
Share premium	7,171		7,171	
Legal reserve	21,904		20,125	
Other reserves	(27,219)		(27,423)	
Retained earnings (accumulated losses)	53,644		74,320	
Profit (loss) for the period	46,211		35,578	
<b>Total shareholders' equity</b>	<b>309,325</b>		<b>317,385</b>	
<b>Non-current liabilities</b>				
Borrowings due after one year	461,600		506,637	
Financial liabilities for rights of use > 12 months	13,178	4,579		
Other non-current provisions	8,766		7,263	
Pension funds and employee benefits	37,198		39,622	
Tax payables				
Other non-current payables	1,987		2,403	
<b>Total non-current liabilities</b>	<b>522,729</b>		<b>555,925</b>	
<b>Current liabilities</b>				
Borrowings due within one year	100,536		62,797	
Financial liabilities for rights of use < 12 months	4,414	1,484		
Trade payables	307,804	21,450	273,299	21,818
Tax payables	5,694		4,784	
Other current liabilities	44,548	14,665	43,324	12,196
Current portion of other non-current provisions	8,637		7,400	
<b>Total current liabilities</b>	<b>471,633</b>		<b>391,604</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,303,687</b>		<b>1,264,914</b>	

## Parent Company 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.

	2019	Of which related parties	2018	Of which related parties
<i>In thousands of euro</i>				
<i>Operating assets</i>				
Profit (loss) for the period	46,211		35,578	
Income tax expense	(2,263)		1,012	
Depreciation property, plant and equipment	20,377		22,615	
Amortisation intangible assets	64,048		59,383	
Amortisation rights of use	3,435			
Allowances for risks and retirement funds/employee benefits	16,204		14,319	
Impairment losses / (Reversals)	(42,075)		(40,664)	
Losses / (Gains) realised on sale of property, plant and equipment	20		265	
Finance income	(1,653)		(5,607)	
Dividend income	(110)		(8)	
Finance costs	21,712		26,445	
Income from public grants	(937)		(1,028)	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	3,139	2,362	(2,661)	(4,627)
(Increase)/Decrease in other receivables	(27,705)	(25,564)	(11,613)	(8,275)
(Increase)/Decrease in inventories	11,562		(5,574)	
Increase/(Decrease) in trade payables	34,505	(368)	9,537	2,797
Increase/(Decrease) in other payables	809	2,469	1,753	338
Increase/(Decrease) in provisions for risks	(5,678)		(6,357)	
Increase/(Decrease) in retirement funds and employee benefits	(13,124)		(12,391)	
Other movements	35,930	5,360	(3,482)	2,178
<b>Cash generated by operating activities</b>	<b>164,407</b>		<b>81,522</b>	
Interest expense paid	(28,622)		(24,491)	
Tax paid	(4,726)		(2,482)	
<b>Cash flow from operating activities (A)</b>	<b>131,059</b>		<b>54,549</b>	
<i>Investing activities</i>				
Investment in property, plant and equipment	(23,653)		(21,957)	
Sale price or redemption value of property, plant and equipment	138		42	
Investment in intangible assets	(77,390)		(71,079)	
Sale price or redemption value of intangible assets	26		62	
Investment in non-current financial assets	(2,526)		(2,840)	
Loans given	(21,924)		(11,241)	
Reimbursement loans granted	52			
Sale price of financial assets			842	
Grants collected	633		728	
Interest collected	1,260		523	
Dividends from equity investments	42,044		32,309	
<b>Cash flow from investing activities (B)</b>	<b>(81,340)</b>		<b>(72,611)</b>	
<i>Financing activities</i>				
Own share purchases	(212)		(1,537)	
Outflow for dividends paid	(51,805)		(19,698)	
Loans received	60,446		152,662	
Outflow for loan repayments	(58,829)		(99,859)	(2,900)
Reimbursement liabilities for rights of use	(3,129)		(1,108)	
<b>Cash flow from financing activities (C)</b>	<b>(53,529)</b>		<b>30,460</b>	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(3,810)		12,398	
<b>Opening balance</b>	<b>22,592</b>		<b>10,066</b>	
Exchange differences	43		128	
<b>Closing balance</b>	<b>18,825</b>		<b>22,592</b>	