



**PIAGGIO
GROUP**

Piaggio Group
First nine months of 2015 Financial Results

Conference Call | October 30th 2015

Disclaimer

This presentation contains forward-looking statements regarding future events and future results of Piaggio & C S.p.A (the "Company") that are based on the current expectations, estimates, forecasts and projections about the industries in which the Company operates, and on the beliefs and assumptions of the management of the Company. In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management, competition, changes in business strategy and the acquisition and disposition of assets are forward-looking in nature. Words such as 'expects', 'anticipates', 'scenario', 'outlook', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', as well as any variation of such words and similar expressions, are intended to identify such forward-looking statements. Those forward-looking statements are only assumptions and are subject to risks, uncertainties and assumptions that are difficult to predict because they relate to events and depend upon circumstances that will occur in the future. Therefore, actual results of the Company may differ materially and adversely from those expressed or implied in any forward-looking statement and the Company does not assume any liability with respect thereto. Factors that might cause or contribute to such differences include, but are not limited to, global economic conditions, the impact of competition, or political and economic developments in the countries in which the Company operates. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. The Company does not undertake to update forward-looking statements to reflect any change in its expectations with regard thereto, or any change in events, conditions or circumstances which any such statement is based on. The reader is advised to consult any further disclosure that may be made in documents filed by the Company with Borsa Italiana S.p.A (Italy).

The Manager in Charge of preparing the Company financial reports hereby certifies pursuant to paragraph 2 of art. 154-bis of the Consolidated Law on Finance (Testo Unico della Finanza), that the accounting disclosures of this document are consistent with the accounting documents, ledgers and entries.

This presentation has been prepared solely for the use at the meeting/conference call with investors and analysts at the date shown below. Under no circumstances may this presentation be deemed to be an offer to sell, a solicitation to buy or a solicitation of an offer to buy securities of any kind in any jurisdiction where such an offer, solicitation or sale should follow any registration, qualification, notice, disclosure or application under the securities laws and regulations of any such jurisdiction.

Highlights (1/2)

Nine months results

Market demand

Strengthening European replacement cycle offset by increased weakness in several key emerging markets

- Europe 2 Wheels demand gained momentum leading to 5% growth vs. PY, with Bikes up by 10% and Scooters finally up by 1% on the back of strong Q2 and Q3
- Asia Pacific still affected by widespread market weakness, apart from Vietnam up by low single-digit
- Indian 3 Wheel downward trend further accelerated in Q3 (very strong in 2014) leading to 7% decline vs. PY; 4 Wheels kept slumping double-digits; Scooters strong momentum confirmed

Business Highlights

Western Countries: good performance in the wake of an improving European market scenario

- Piaggio confirmed undisputed European leadership in total 2 Wheel market
- Volume encouraging progressive improvement had been mainly driven by Italy, The Netherlands, Germany and Spain also reflecting better trading conditions
- Bikes performance further accelerated both in Europe and USA, boosted by recent successful product launches, with revenues surging more than 30%
- Spare Parts and Accessories kept growing double digits, confirming to be a key lever of forthcoming profitable growth
- Vehicles' average price kept significantly higher than PY, sustained by ongoing drive towards premium products
- *As a result, revenues up mid single digit, with Italy, Germany, and Benelux up double digits; France still a drag, affected by persisting negative market trend*

Asia Pacific: weak performance in a muted market scenario

- Vietnam took a downward turn, reflecting fierce competition and model switch timing; the trend should reverse in Q4 on the back of the recent new product launch
- Asia Pacific ex Vietnam slightly up vs. PY, notwithstanding widespread heightened market volatility
- Vespa strength confirmed, with volumes and revenues on the rise against unsupportive market dynamics
- Average regional prices on the rise also excluding FX effect, reflecting strong brand reputation

As a result, revenues up double-digits (down mid single digit excluding FX) sustained by strong performance in Taiwan, Malaysia and Thailand

Highlights (2/2)

Nine months results

Business Highlights

India: performance hit by strong market deterioration

- 3/4 Wheel market share broadly in line with PY
- Resilient performance in Cargo against market weakness, unable to counterbalance Passenger increasingly negative market trend
- Vespa posted moderate, but stable, growth vs. PY
- Average prices on the rise also excluding FX, reflecting rigorous pricing discipline

As a result, revenues up double-digits vs. PY (down mid single digit excluding FX)

Financial Highlights

Net Sales up by 72 €m (+7.7%; +0.5% at constant FX)

EBITDA slightly up by 0.3 €m

Net Profit slightly off Prior Year (-3.6 €m)

- **Gross Margin on the rise** (+ ~ 9 €m), even if with a lower ratio on Net Sales vs. PY (29.6% vs. 30.9%) reflecting the dilutive FX impact
- **OpEx higher vs. PY after rise of D&A**, due to the increased level of CapEx in prior quarters, **step-up in marketing and racing expenses** and **negative FX effect**
- **Lower financial expenses**, even excluding non recurring negative effect in 2014, benefitting from last year initiatives to strengthen debt structure and lower the cost of debt
- **Capital Expenditure of 68 €m** (+11 €m vs. PY), in line with schedule, to sustain the deep pipeline of 2015 product launches and investment in a new painting facility
- **Healthy Cash Flow generation in Q3 (~40 €m)**, mainly boosted by both Operating Cash Flow and containment of Inventories & Receivables, led **Net Debt in line with YE 2014**, even after dividend payment

Net sales growth, also benefitting from positive FX effect, drove EBITDA slightly up vs. PY despite higher marketing and racing expenses. Net Debt in line with YE 2014, after strong cash generation in Q3.

P&L (€m)

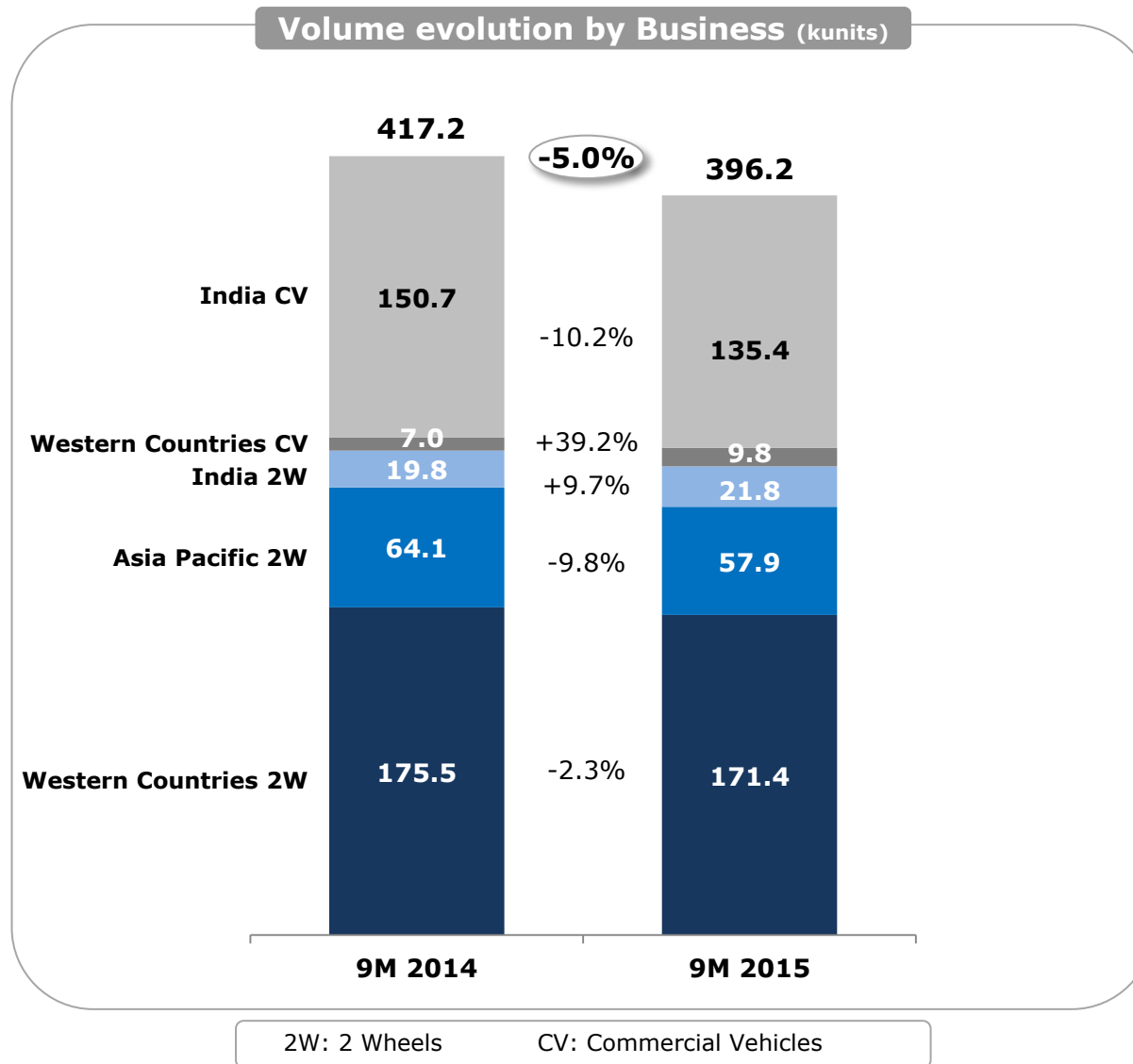
	9M 2014	9M 2015	Change 2015 vs. 2014		
			Absolute	%	% excl. FX ^(*)
Net Sales	930.8	1,002.6	71.8	+7.7%	~ +0.5%
Gross Margin	287.5	296.5	9.0	+3.1%	~ -0.5%
<i>% on Net Sales</i>	30.9%	29.6%	-1.3%		
EBITDA	135.4	135.7	0.3	+0.2%	~ -3.1%
<i>% on Net Sales</i>	14.5%	13.5%	-1.0%		
Depreciation	(65.7)	(77.6)	(11.9)	+18.1%	
EBIT	69.6	58.1	(11.5)	-16.6%	
<i>% on Net Sales</i>	7.5%	5.8%	-1.7%		
Financial Expenses, <i>recurring</i>	(30.2)	(27.6)	2.7	-8.8%	
Financial Expenses, <i>non-recurring</i>	(2.9)		2.9	n.a.	
Income before tax	36.5	30.5	(5.9)	-16.3%	
Tax	(14.6)	(12.2)	2.4	-16.3%	
Net Income	21.9	18.3	(3.6)	-16.3%	
<i>% on Net Sales</i>	2.4%	1.8%	-0.5%		

NFP (€m)

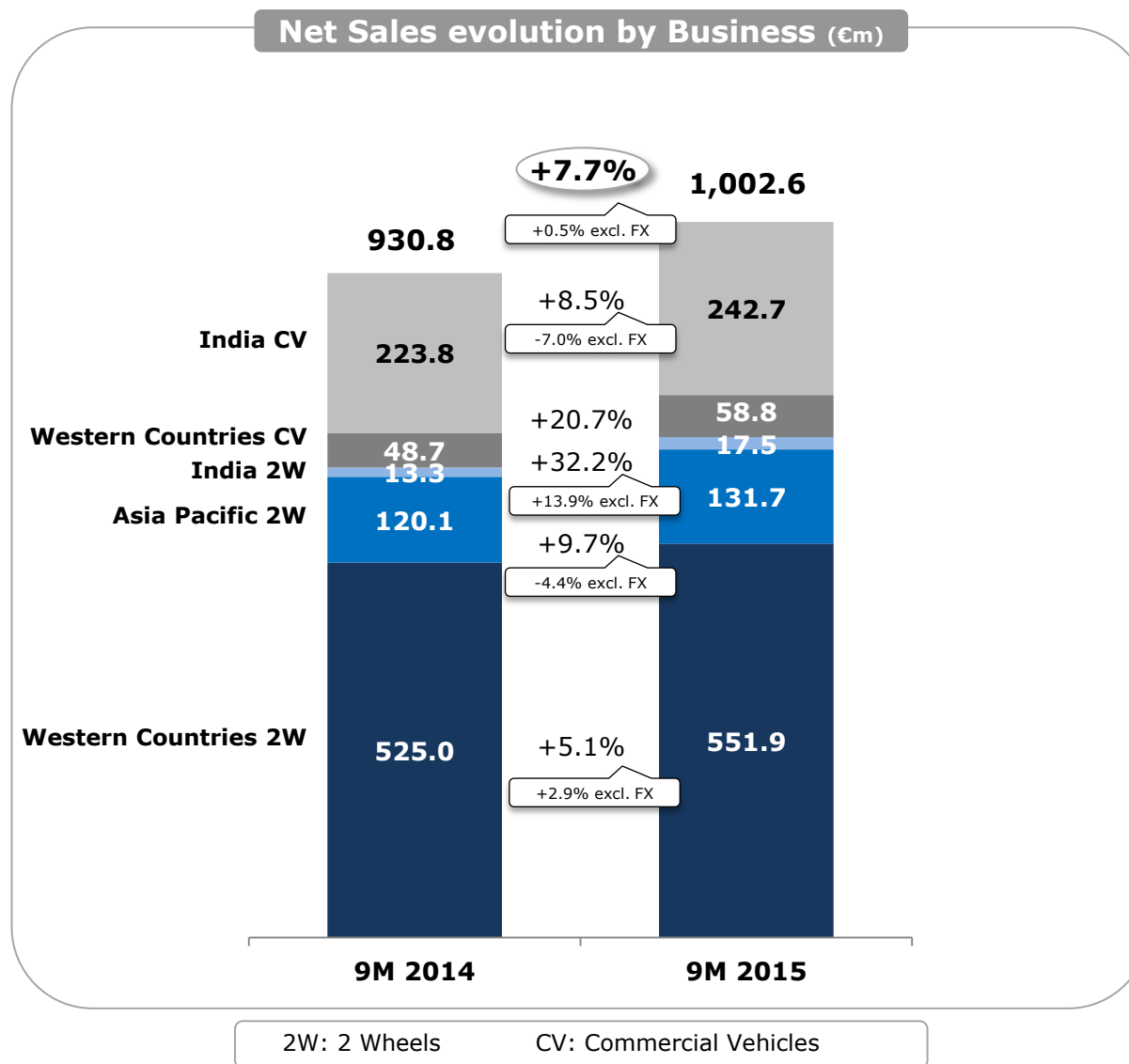
	31.12.2014	30.09.2015	Change
Net Financial Position	(492.8)	(495.8)	(3.0)

(*) Figures at constant exchange rates are management estimates calculated using the average exchange rates for the corresponding period of the previous year

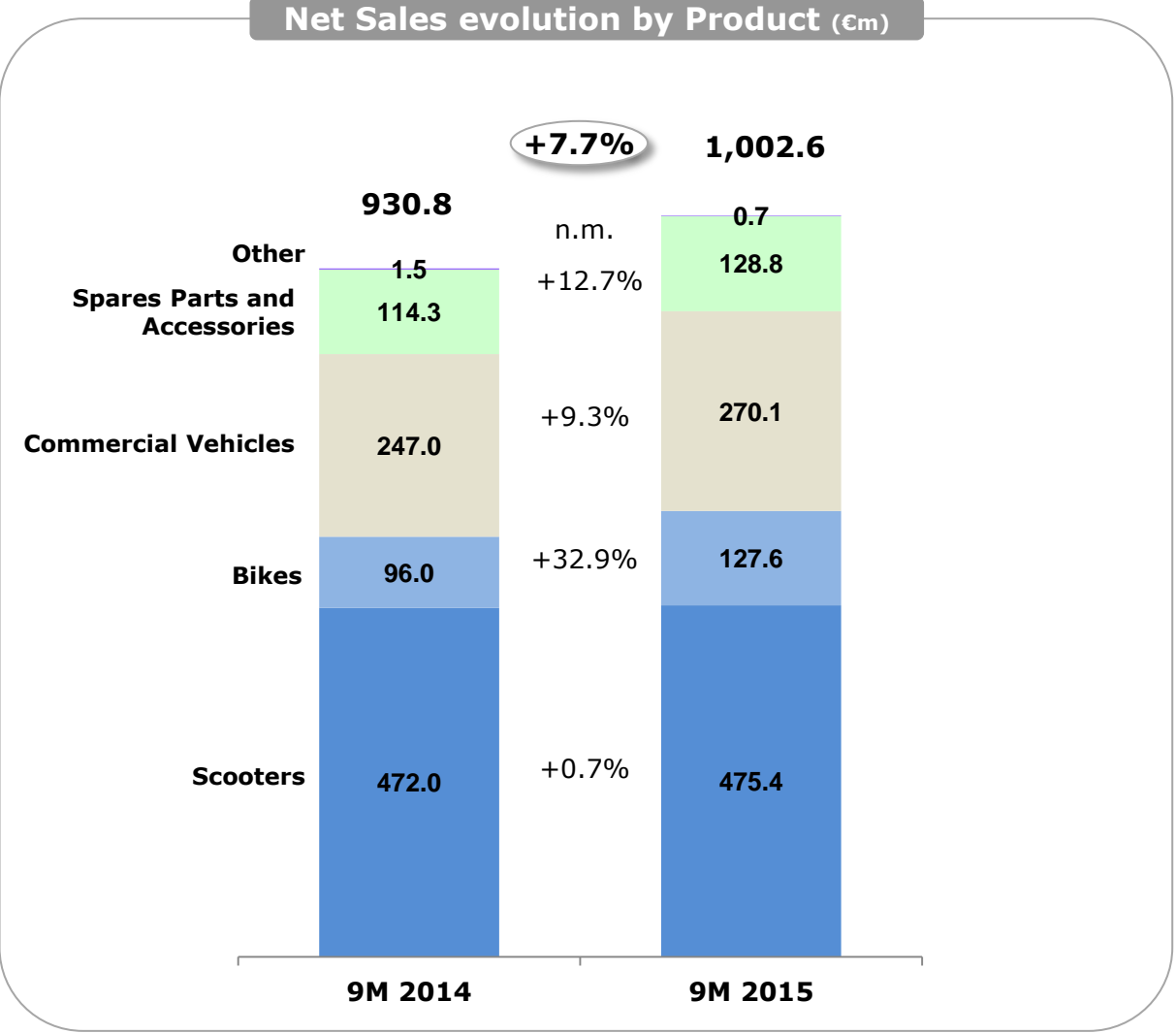
Volume slightly off PY, mainly reflecting demand weakness in key reference emerging markets and heightened competitive pressure...



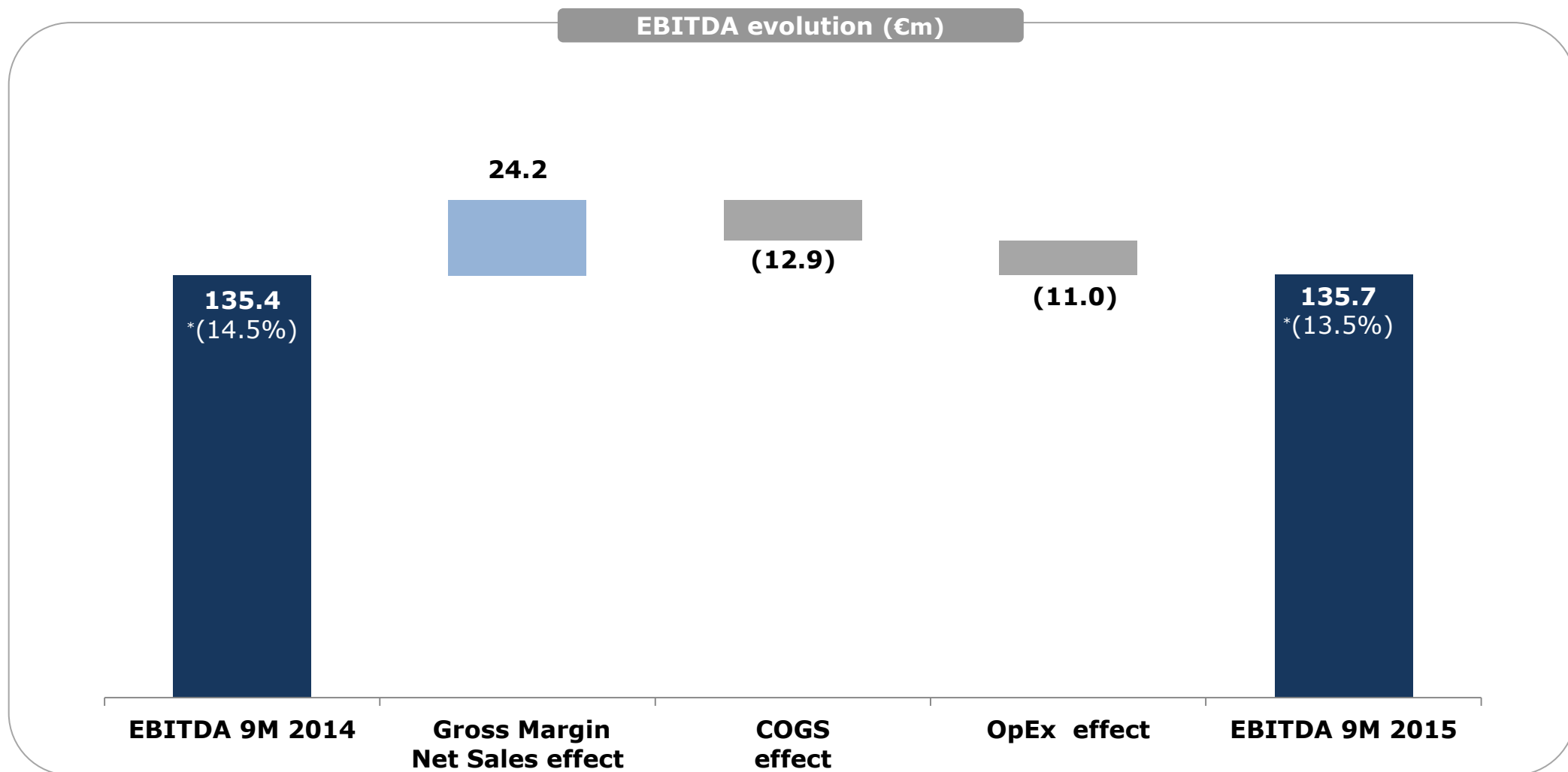
... but Net Sales on the rise across the board boosted by positive price/mix effect and FX tailwind in US \$ linked Markets.



**Negative volume effect in Scooters more than offset by strong price effect sustained by the ongoing shift towards high-end segments.
 Strong performance in Bikes fostered by recent successful product launches.
 Strong performance of Spare Parts and Accessories.**

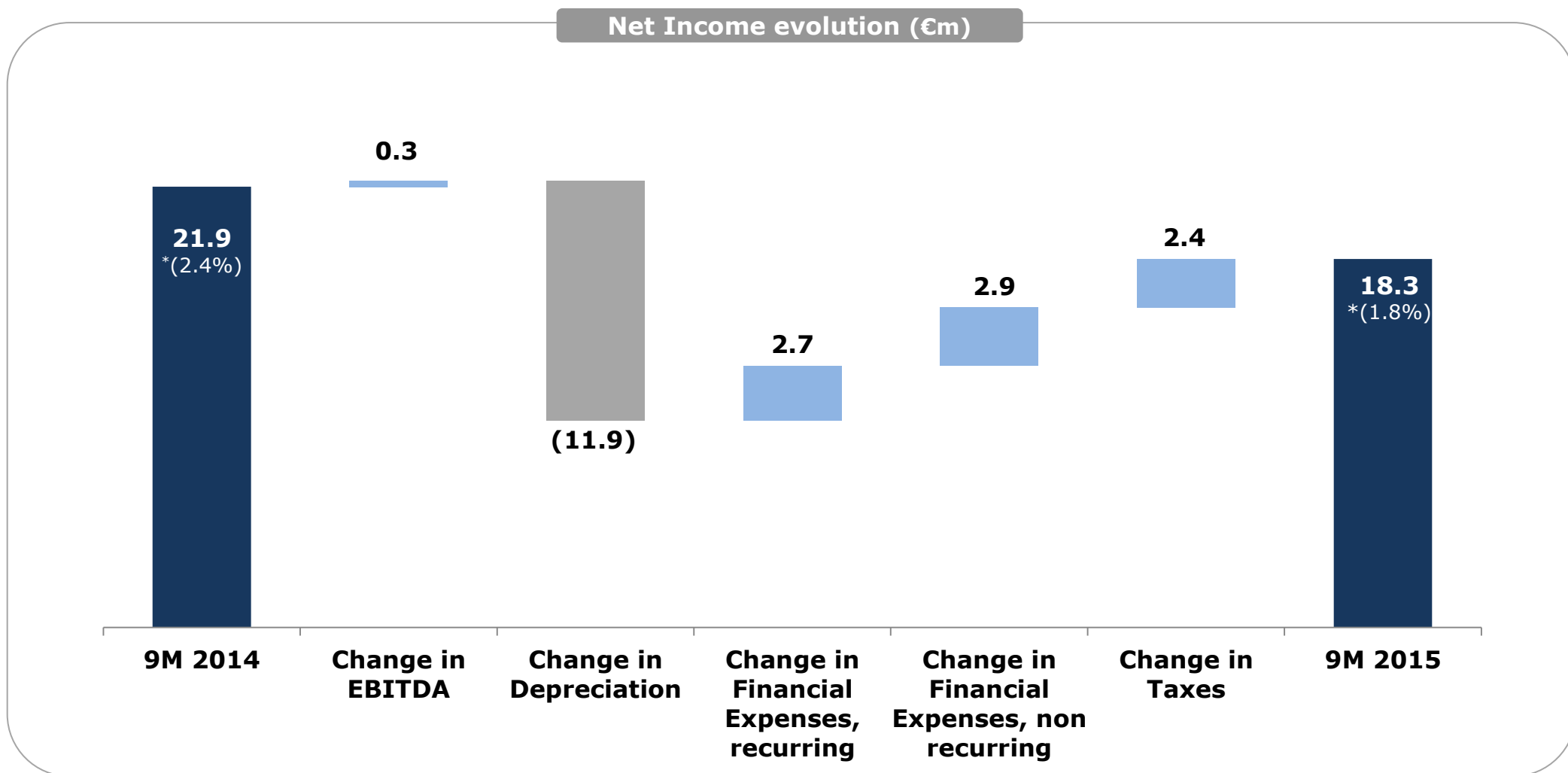


FX effect boosted Net Sales, COGS and OpEx.
The net effect was a dilution of % Gross Margin and an increase of Cash OpEx,
also affected by higher marketing and racing expenses.



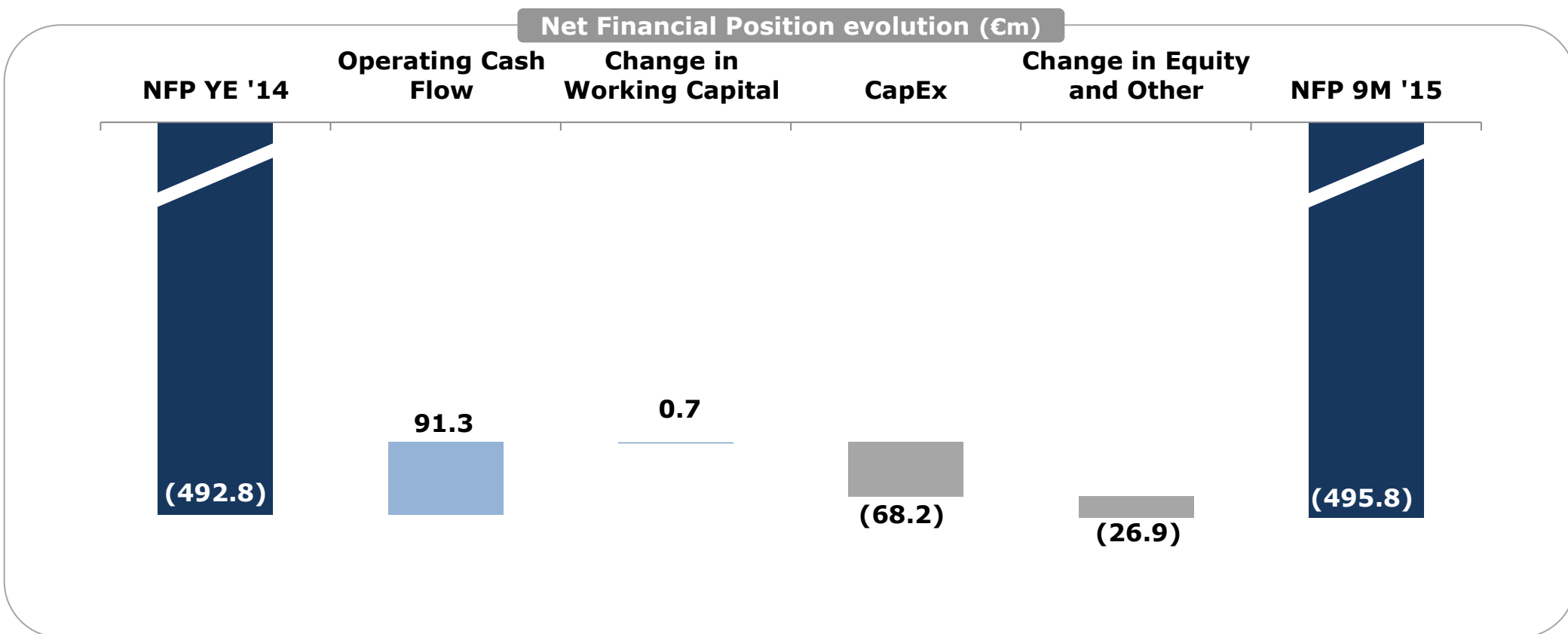
* % on Net Sales

Significant increase of D&A drove Net Result slightly off prior year, despite lower Financial Expenses.



* % on Net Sales

Tight grip on Working Capital in Q3 coupled with healthy Operating Cash Flow generation led Net Debt back at YE 2014 level, notwithstanding higher CapEx, dividend payment (1/2)



Tight grip on Working Capital in Q3 coupled with healthy Operating Cash Flow generation led Net Debt back at YE 2014 level, notwithstanding higher CapEx, dividend payment (2/2)

Balance Sheet evolution (€m)

	2013	Sept. 2014	Chg. '14 vs YE '13	2014	Sept. 2015	Chg. '15 vs YE '14
Trade Receivable (*)	74.4	89.5	15.1	71.6	110.1	38.5
Inventories	207.8	266.9	59.1	232.4	231.7	-0.7
Commercial Payable	(344.8)	(443.4)	-98.6	(383.6)	-407.2	-23.5
Other assets/liabilities	32.3	38.8	6.5	63.6	48.6	-15.0
Working Capital	(30.4)	(48.2)	-17.9	(16.1)	(16.8)	-0.7
Tangible Fixed Assets	310.1	311.8	1.7	319.5	313.9	-5.6
Intangible Fixed Assets	654.5	660.8	6.3	668.4	670.2	1.8
Financial Investments	9.9	9.9	0.0	10.0	10.0	0.0
Provisions	(76.4)	(75.9)	0.5	(76.0)	(71.4)	4.6
Net Invested Capital	867.7	858.5	-9.3	905.9	905.9	0.0
Net Debt	475.6	437.9	-37.7	492.8	495.8	3.0
Equity	392.1	420.6	28.4	413.1	410.0	-3.1
Total Sources	867.7	858.5	-9.3	905.9	905.9	0.0
Net Debt/Equity	1.21	1.04		1.19	1.21	

(*) Net of advances from customers.

Contacts

Investor Relations Office

E: investorrelations@piaggio.com

T: +39 0587 272286

W: www.piaggiogroup.com

 : @PiaggioInvestor

Raffaele Lupotto

Head of Investor Relations

E: r.lupotto@piaggio.com

T: +39 0587 272596