



Piaggio Group

First Quarter of 2020 Financial Results



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)

Strong start to the year more than offset by lockdown measures in all Group's key reference markets

Net Sales* €m



High single-digit % growth

-10.1%

Outstanding start to the year with revenues reaching an all-time high at the end of February, wiped out by lockdowns across the board in March

EBITDA* €m

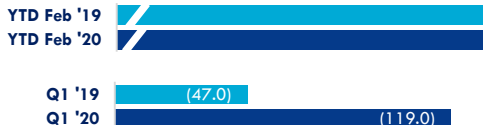


In line with 2019 all-time high

-19.5%

Ebitda in line with 2019 record performance at the end of February, dragged down by sudden revenue decline coupled with short term lower flexibility of the cost base

Cash Flow* €m



In line with 2019

-72

Seasonal cash absorption in line with PY, spiked in March driven by lower operating cash flow and significantly higher Working Capital deeply affected Covid-19 effects

* February data and trends showed on this slide are based on management estimates

Highlights (2/2)

Covid-19 countermeasures

SAFETY & WELL-BEING

- ▶ Closed plants temporarily in compliance with local restrictions
- ▶ Reconfigured plant workstations and other workplace areas to meet enhanced health and occupational requirements
- ▶ Established comprehensive health and safety protocols for all facilities
- ▶ Adopted remote working, where feasible

SUPPLY CHAIN

- ▶ Undertaken strategic decision in Q1 to not halt purchases of materials and components to secure production
- ▶ Heightened constant monitoring of suppliers

DEALER NETWORK

- ▶ Provided dealer support based on the unique needs of each region

COSTS

- ▶ Suspended or cancelled discretionary spending
- ▶ Renegotiated several suppliers' contracts
- ▶ Adopted Government temporary unemployment support scheme (e.g. CIG – Covid 19)

LIQUIDITY PROFILE

- ▶ Comfortable liquidity back up at the end of March; initiated actions to secure additional finance
- ▶ Reviewed CapEx profile consistently with new market environment

Key markets demand

Highlights

EMEA & Americas

2 Wheelers sound demand abruptly shifted to negative in March behind markets lockdowns:

- ▶ European 2 Wheelers mid- teens growth across product and displacement segments, despite tough comparison base and the backdrop of economic uncertainty, wiped out in mid March by lockdown measures; unsurprisingly Italy had been hit the most, while Germany showed signs of resiliency
- ▶ North America positive scooter trend after years of unabated decline, suddenly reverted to negative in March as covid-19 effects took their toll

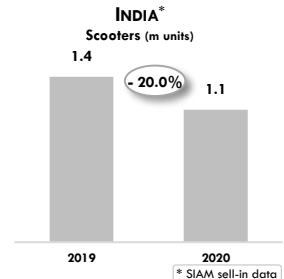
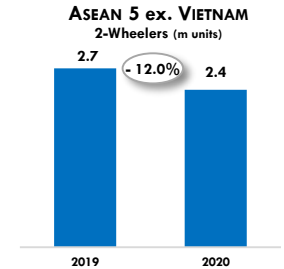
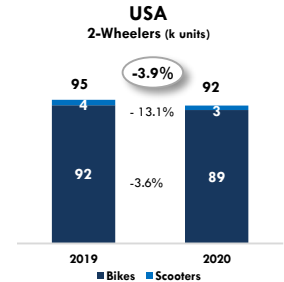
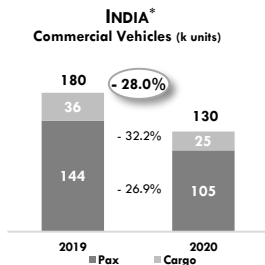
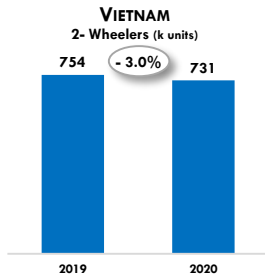
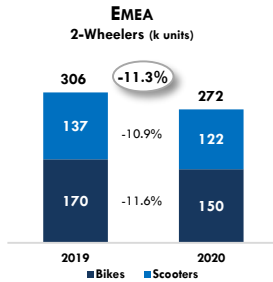
Asia Pacific

Asia Pacific not immune from covid-19 effects, posted overall negative demand trends:

- ▶ Among Asean 5 countries, Vietnam was the most resilient, also reflecting less stringent lockdown measures, ending just slightly off prior year, whereas the Philippines and Malaysia had been hit the most with demand plummeting around 30%
- ▶ Among other countries Taiwan was on a different path ending slightly up vs. prior year, with demand strengthening as the quarter progressed

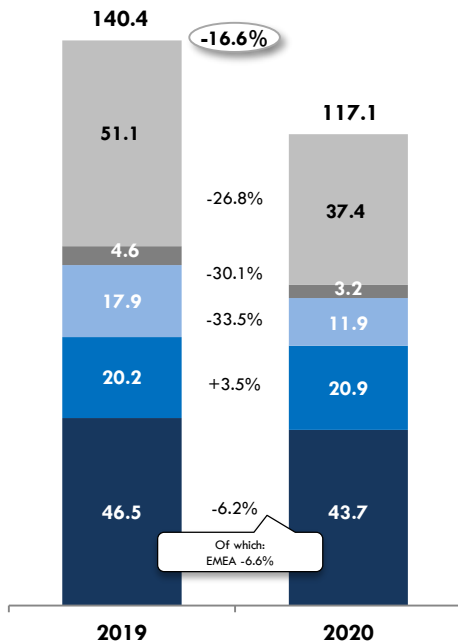
India

The expected demand decline across segments driven by sharp dealers' inventory correction ahead of BS VI introduction in April, sharply accelerated with the sudden introduction of stringent lockdown measures in the latter part of March



Evolution by business

Volume evolution by business (k units)



Of which:
EMEA -6.6%

2 Wheelers: ■ EMEA & Americas ■ Asia Pacific ■ India

Highlights

Negative performance driven by Covid-19 effects, partially mitigated by positive price effect

CV India

Both domestic and export decline, exacerbated by plant closure, partially offset by strong positive price effect

CV EMEA & Americas

Negative performance as adverse market conditions had been further penalized by lack of imports from India

2W India

Strong positive price effect unable to neutralize plummeting demand

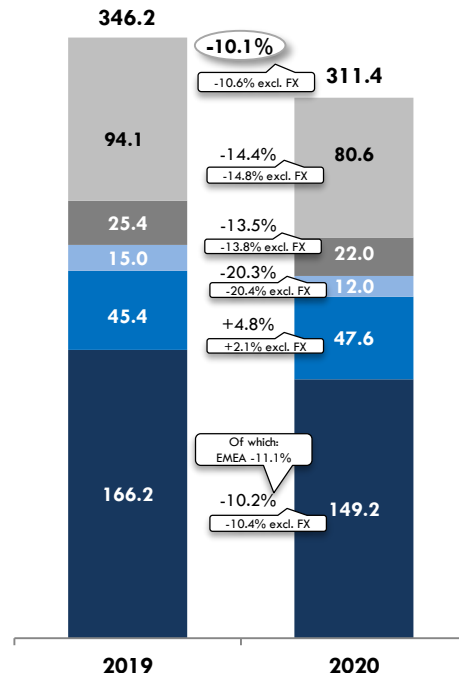
2W Asia Pacific

Outstanding performance, against sequentially softer demand, driven by Thailand, South Korea and China.

2W EMEA & Americas

Outstanding performance until early March, wiped out by lockdowns. Italy was the worst-affected country, while Germany and USA proved to be the most resilient ending with volumes and revenues on the rise

Net Sales evolution by business (€m)

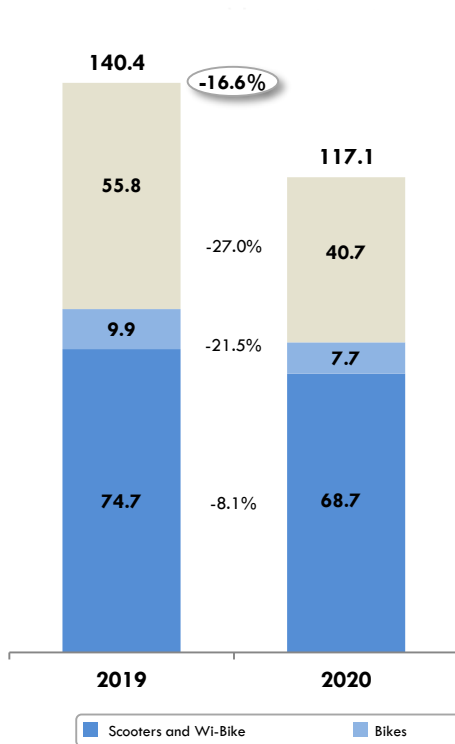


Of which:
EMEA -11.1%

Commercial Vehicles: ■ EMEA & Americas ■ India

Evolution by product

Volume evolution by product (k units)



Highlights

All segments hit by Covid-19 effects. Top products posted sound performance despite the daunting backdrop

Commercial Vehicles

Volumes and revenues dragged down by Indian plant and market closure

Bikes

All brands hit by European markets lockdown. Moto Guzzi V85TT kept on shining ending the quarter with sound volumes and revenues growth

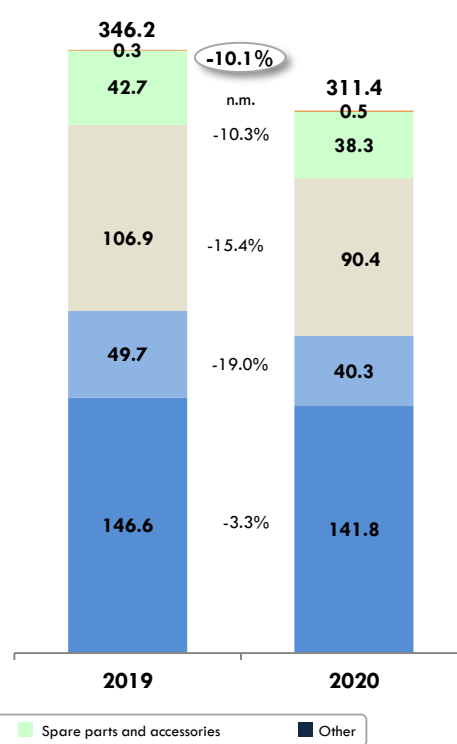
Scooters

Slight revenue decline, despite widespread negative lockdown measures, reflecting resiliency in Western Countries and growth in Asia.

Notably:

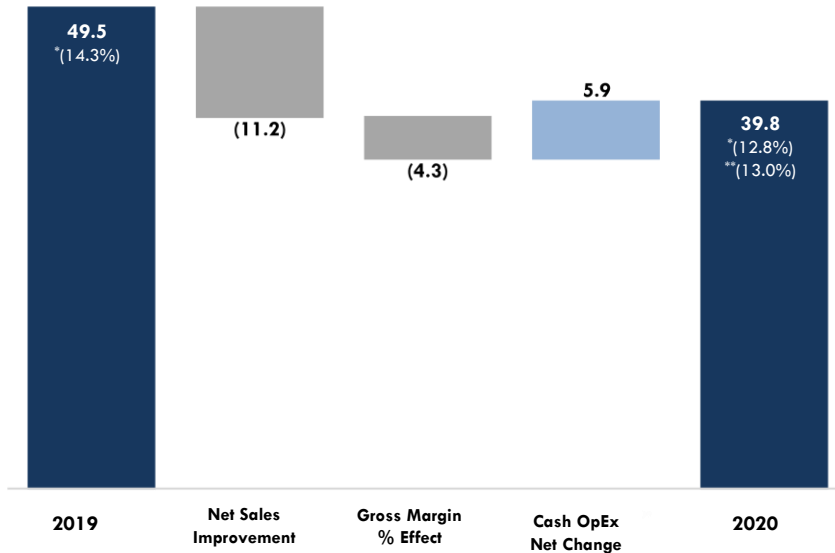
- ▶ Vespa revenues on the rise, benefitting from significant price/mix uplift and healthy performance in APAC
- ▶ Medley posted strong double-digits growth, benefitting from the successful launch of the new version at the end of 2019

Net Sales evolution by product (€m)



EBITDA Evolution

EBITDA evolution (€m)



* % On Net Sales ** Excluding FX Effect

Highlights

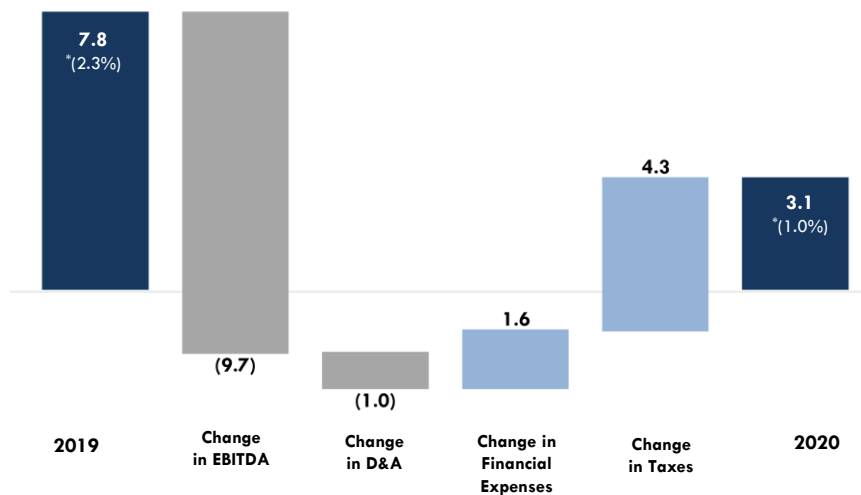
EBITDA dampened by significant top line decline due to **widespread lockdown measures**

Heightened efficiencies on Operating Expenses, more than offset % Gross margin dilution mainly driven by the introduction of Bharat VI vehicles in India

Cost containment actions mainly visible from the second quarter onwards, whilst retaining our ability to meet **pent-up demand** when lockdown measures will be lifted

Net Income Evolution

Net Income evolution (€m)



* % On Net Sales

Highlights

Net Result dragged down by lower operating result

D&A slight increase, driven by prior year CapEx step-up

Financial expenses down, primarily driven by lower cost of funding and positive effect of currency management

Tax rate @ 40%, down ~ 5 p.p. vs. prior year, mainly benefitting from Indian corporate income tax reduction

To sum up

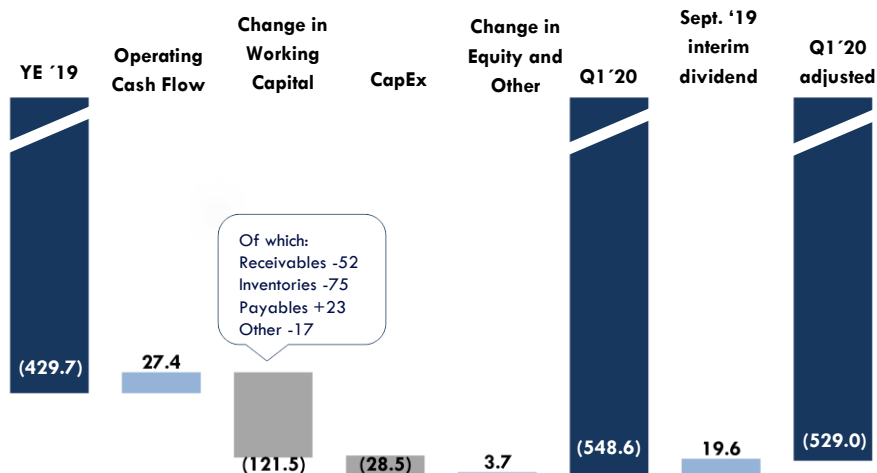
P&L (€m)

	2019	2020	Change 2020 vs. 2019		
			Absolute	%	% excl. FX*
Net Sales	346.2	311.4	- 34.8	-10.1%	~ -10.6%
Gross Margin	103.9	88.1	-15.8	-15.2%	~ -15.0%
% on Net Sales	30.0%	28.3%	-1.7%		
EBITDA	49.5	39.8	-9.7	-19.5%	~ -18.5%
% on Net Sales	14.3%	12.8%	-1.5%		
Depreciation	(28.8)	(29.8)	-1.0	3.5%	
EBIT	20.7	10.0	-10.7	-51.6%	
% on Net Sales	6.0%	3.2%	-2.8%		
Financial Expenses	(6.4)	(4.8)	1.6	-25.5%	
Income before tax	14.2	5.2	-9.0	-63.3%	
Tax	(6.4)	(2.1)	4.3	-67.4%	
Net Income	7.8	3.1	4.7	-60.0%	
% on Net Sales	2.3%	1.0%	-1.3%		

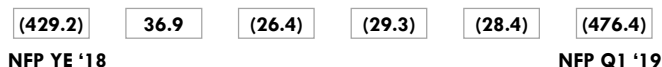
* Figures at constant exchange rates are management estimates calculated using the average exchange rates for the corresponding period in the previous year

Net Financial Position – Liquidity

2020 Net Financial Position evolution (€m)



2019 Net Financial Position evolution (€m)



Highlights

Cash flow dynamic strongly hit by Covid-19 involving:

- ▶ Lower operating cash flow
- ▶ Significantly higher Working Capital seasonal cash absorption, magnified by:
 - one-off payments delay of around 16 €m and extension of certain credit payment due dates to support dealers
 - higher inventories, also reflecting strategic decision to not halt purchases of materials and components to secure production

CapEx in line with prior year, whilst keeping the flexibility to adjust the investment profile from Q2 onwards consistently with market dynamics

Comfortable liquidity back up at the end of March; initiated actions to secure additional finance

Investor Relations Office

E: investorrelations@piaggio.com

T: +39 0587 272286

W: www.piaggiogroup.com

: [@PiaggioInvestor](https://twitter.com/PiaggioInvestor)

Raffaele Lupotto

Executive Vice President

Head of Investor Relations

E: r.lupotto@piaggio.com

T: +39 0587 272596

