

THE PIAGGIO GROUP: PROFILE

The Piaggio Group is the largest European manufacturer of two-wheel motor vehicles and one of the world leaders in its sector. The Group is also a major international player on the commercial vehicle market. **Roberto Colaninno** is Chairman and Chief Executive Officer of the Piaggio Group, **Matteo Colaninno** is Deputy Chairman. Piaggio (PIA.MI) has been listed on the Italian stock exchange since 2006. Established in **1884** by Rinaldo Piaggio, since 2003 the Piaggio Group has been controlled by **Immsi S.p.A.** (IMS.MI), an industrial holding listed on the Italian stock exchange and headed by Roberto Colaninno, who is Chairman. Immsi's Chief Executive Officer and MD is **Michele Colaninno**.

The product ranges: motorcycles and scooters from 50 to 1400 cc, commercial vehicles

The Piaggio Group product range includes scooters, motorcycles and mopeds from 50 to 1,400 cc marketed under the **Piaggio, Vespa, Aprilia, Moto Guzzi, Gilera, Derbi and Scarabeo** brands. The Group also operates in the three- and four-wheel light transport sector with its **Ape, Porter and Quargo (Ape Truck)** ranges of commercial vehicles. The Piaggio Group brand portfolio contains some of the most distinguished and historic names in the motorcycling world: these include **Gilera** (founded in 1909), **Moto Guzzi** (founded in 1921), **Derbi** (1922) and **Aprilia**, which in just over twenty years has established itself as one of the most successful manufacturers in the world Speed and Superbike championships. In scooters, the extraordinary **Vespa** brand has been a synonym for two-wheel individual mobility since 1946 when it made its debut; with more than 18 million vehicles produced since then, the Vespa is an incredibly long-lived market success as well as one of the best known icons of Italian style and technology in the world.

Piaggio in the world: Europe, Asia, America

The Piaggio Group is **headquartered** in Pontedera (Pisa, Italy) and has production plants around the world: **Pontedera**, where the Group technical HQ is located, which produces Piaggio, Vespa and Gilera branded two-wheelers, light transport vehicles for the European market and engines for scooters and motorcycles; **Noale (Venice)**, a technical centre for the development of motorcycles for the entire Group and the home of Aprilia Racing; **Scorzè (Venice)**, which produces Aprilia and Scarabeo branded two-wheelers; **Mandello del Lario (Lecco, Italy)**, which produces Moto Guzzi vehicles and engines; **Baramati (India)**, in the state of Maharashtra, which produces three- and four-wheel light transport vehicles for the Indian market and for export, the Vespa scooter for the local market, diesel and turbodiesel engines for the Group's commercial vehicles; **Vinh Phuc (Vietnam)** which produces Vespa and Piaggio scooters for the local market and the Asia-Pacific area.

The Piaggio Group also operates in **China** through a joint venture (Zongshen Piaggio Foshan Motorcycles, based in **Foshan** in the province of Guangdong) in which it holds a 45% stake and which is therefore not included in the Group's consolidated results. In the USA, Pasadena, California, is home to the **Piaggio Group Advanced Design Center** for R&D. Also in the USA, **Piaggio Fast Forward Inc. (PFF)**, a Piaggio subsidiary established in June 2015 to develop innovative mobility and transport solutions and technologies, is based in Cambridge, Massachusetts. The members of the PFF Advisory Board are **Roberto Colaninno, Nicholas Negroponte, Doug Brent and Jeff Linnell**; the members of the Board of Directors include **Michele Colaninno** (Chairman), **Jeffrey Schnapp** (CEO) and **Greg Lynn** (Chief Creative Officer).

Motor racing: 104 world titles with Aprilia, Moto Guzzi, Gilera and Derbi

The **Piaggio Group** has a **formidable record** in motor racing, with extraordinary names such as Aprilia, Moto Guzzi, Gilera and Derbi that have gone down in sport history. Together, these Piaggio Group brands have won an impressive **total of 104 world championship titles: Aprilia: 54 titles; Derbi: 21 titles; Moto Guzzi: 15 titles; Gilera: 14 titles.**

In 2014, together with the Rider title, for the third consecutive year **Aprilia** won the World Manufacturer title in the **World Superbike Championship**. Aprilia is **one of the most successful**

names in the history of motor racing, with **54 world titles** (28 since it became part of the Piaggio Group). It also has **38 World GP championship titles** (20 in the 125 and 18 in the 250 categories), **7 Superbike titles** (Rider and Manufacturer in 2010, Rider and Manufacturer in 2012, Manufacturer in 2013, Rider and Manufacturer in 2014) and **9 Off Road titles** (7 Supermoto and 2 Trial). In 2105, in the **Superstock 1000 FIM Cup**, Aprilia won the Rider title with Italy's Lorenzo Savadori and the Manufacturer title with the Aprilia RSV4 RF 1000cc V4.

Financial results in 2014

The Piaggio Group closed **fiscal year 2014** with **consolidated net sales** of 1,213.3 million euro (1,228.6 million euro at constant exchange rates), compared with 1,212.5 million euro in 2013. It posted **Ebitda** of 159.3 million euro (146.8 million euro in 2013) with an **Ebitda margin** of 13.1% (12.1% in 2013), an **industrial gross margin** of 364.7 million euro (357.5 million euro in 2013) with a net sales margin of 30.1% (29.5% in 2013), and **net profit** of 16.1 million euro (a loss of 6.5 million euro in 2013). In 2014, the Piaggio Group sold a total of **546,500 vehicles** worldwide.

First nine months of 2015

In the first nine months of 2015, the Piaggio Group recorded **consolidated net sales of 1,002.6 million euro**, an increase of **7.7% from the first nine months of 2014**, **Ebitda of 135.7 million euro** (135.4 million euro in the year-earlier period) and **net profit** of 18.3 million euro (21.9 million euro). The **industrial gross margin** was 296.5 million euro (+3.1%).

The Piaggio Group reported **turnover growth** in all the main **geographical areas** it serves, assisted by a positive exchange-rate effect; net sales were 610.7 million euro in the **EMEA and Americas areas** (+6.4% from the first nine months of 2014), 260.3 million euro in **India** (+9.8%) and 131.7 million euro in **Asia Pacific** (+9.7%). Similarly, **revenues improved on all lines of business**, with turnover in the **two-wheeler sector** of 701.1 million euro, an increase of 6.5% from 658.4 million euro in the first nine months of 2014 (including spares and accessories). In **commercial vehicles**, turnover was 301.5 million euro, including spares and accessories, for growth of 10.7% from 272.5 million euro in the nine months to 30 September 2014. Turning to the Group brands, in the scooter sector, **revenues rose for the Vespa brand** (+6.8%); in the motorcycle sector, revenues rose 35.7% for **Moto Guzzi** and 23.4% for **Aprilia**.

In the first nine months of 2015, the Piaggio Group maintained its **leadership of the European two-wheeler market**, with an overall share of 15.1% (+0.5 percentage points from the figure for the first half), rising to 24.4% in the scooter segment. The Piaggio Group also confirmed its positioning as a key player on the **North American scooter market** with a share of 19.7%. In **commercial vehicles**, in the first nine months of 2015 Piaggio strengthened its leadership in India in the **three-wheel Cargo** segment, where its market share improved to 54.7%, and an **overall market share of 31%** in three-wheel commercial vehicles. It also grew its commercial vehicle business in the EMEA and Americas area, with a revenue increase of 20.7% from the first nine months of 2014.

In the nine months to 30 September 2015, Piaggio Group **capital expenditure was 68.2 million euro** (+19.6% from 57 million euro at 30 September 2014), of which **39.9 million euro for R&D expenditure** and 28.3 million euro for property, plant and equipment, investment property and intangible assets. Among investments in Group industrial assets, a particularly important project is the **new automated paint shop** now under completion at the Piaggio industrial facility in Pontedera. In 2014, investment at Pontedera included the insourcing of high-precision aluminium machining operations, with the opening of a dedicated shop.

Piaggio Group **net debt** at 30 September 2015 was **495.8 million euro**. This was an improvement on 535.3 million euro at 30 June 2015 and was in line (increase of 3 million euro) with the figure of 492.8 million euro at 31 December 2014, despite inclusion of the dividend pay-out of 26 million euro and the increase in capital expenditure, thanks to the positive trend in operating cash flow and containment of working capital.

The total workforce of the Piaggio Group at 30 September 2015 numbered **7,527 employees** (7,510 at 31 December 2014). The Group's Italian employees numbered 3,688, substantially unchanged from the previous year.

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