

PRESS RELEASE

PIAGGIO GROUP: FIRST QUARTER 2024

Piaggio Group Managing Director – CEO Michele Colaninno: *“Vespa, Moto Guzzi, Aprilia and Piaggio: our brands are admired around the world as Italian symbols of elegance, sportiness and advanced technology.*

Constant monitoring of costs and productivity has enabled the Piaggio Group to reach its highest margins ever in the last few months: profitability remains the key driver for the future and our ambitious goal is to confirm these results for full-year 2024, independently of possible temporary slowdowns on some markets.

The revenue downturn reported by the Group in the first quarter stems from sales trends on the Asian markets, which, conversely, in the first three months of 2023, turned in their strongest performance to date. Furthermore, the comparison with the year-earlier period reflects the necessary rebalancing of stocks by the world distribution networks in anticipation of the new emissions laws due to come into force between 2024 and 2025 for two-, three- and four-wheel vehicles.

After a number of slower months, since March the Far East has been showing signs of steadying and we expect to see a moderate improvement in sales during the year.

Healthy signs of recovery are also emerging on the Indian market, whose good performance will be consolidated by political stability after the elections.

The geopolitical situation, as is well known, is affecting the movement of goods; the Piaggio Group has decided in the past few months to temporarily boost the stock of vehicles in its warehouses in order to deal with possible shortages of components should the situation in the Red Sea worsen.

We have drawn up important investment plans in Italy for the coming years so that we will also be ready for the current energy transition. Our decision for an intelligent verticalisation of the development and production of strategic assets will be the key for efficient management of the new technologies.”

- **Consolidated net sales 428 million euro** (-21.3%, 543.9 €/mln at 31.03.2023)
- **Industrial gross margin 130.1 million euro** (145.4 €/mln at 31.03.2023)
Return on net sales 30.4% (26.7% at 31.03.2023)
- **EBITDA 75.3 million euro** (-7.1%, 81 €/mln at 31.03.2023)
EBITDA margin 17.6% (14.9% at 31.03.2023)
- **EBIT 41.3 million euro** (44.9 €/mln at 31.03.2023)
EBIT margin 9.7% (8.2% at 31.03.2023)
- **Profit before tax 28.3 million euro** (36.5 €/mln at 31.03.2023)
- **Net profit 18.7 million euro** (-22.5%, 24.1 €/mln at 31.03.2023)
- **NFP -498 million euro** (434 €/mln at 31.12.2023)
- **120,300 vehicles sold worldwide** (154,900 vehicles at 31.03.2023)
- **Capital expenditure approximately 38.9 million euro** (+20%, 32.4 €/mln at 31.03.2023)

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Pontedera, 09 May 2024 - At a meeting today chaired by Matteo Colaninno, the Board of Directors of Piaggio & C. S.p.A. (PIA.MI) examined and approved the interim report on operations as at and for the three months to 31 March 2024.

Piaggio Group business and financial performance at 31 March 2024¹

Group consolidated net sales totalled **428 million euro** (-21.3% from 543.9 million euro at 31 March 2023).

The **industrial gross margin** was **130.1 million euro** (-10.5% from 145.4 million euro at 31 March 2023). The **return on net sales** was **30.4%** (26.7% at 31 March 2023).

Group operating expense was **88.7 million euro** (100.5 million euro at 31 March 2023).

The changes in the income statement described above generated **consolidated EBITDA of 75.3 million euro** (-7.1%; 81.0 million euro at 31 March 2023). The **EBITDA margin** was **17.6%** (14.9% at 31 March 2023).

EBIT amounted to **41.3 million euro** (-7.8%; 44.9 million euro at 31 March 2023). The **EBIT margin** was **9.7%** (8.2% at 31 March 2023).

Pre-tax profit for the first quarter was **28.3 million euro** (-22.5%; 36.5 million euro at 31 March 2023). Income tax for the period was 9.6 million euro, with an impact on pre-tax profit of 34%.

In the first three months of 2024 the Piaggio Group reported a net profit of 18.7 million euro (-22.5%; 24.1 million euro at 31 March 2023).

Net financial debt at 31 March 2024 was **498 million euro** (434 million euro at 31 December 2023).

Group shareholders' equity at 31 March 2024 was **436.4 million euro** (416 million euro at 31 December 2023).

Business performance in the first quarter of 2024

During the first quarter, the Piaggio Group sold 120,300 vehicles worldwide(-22.3%; 154,900 in the year-earlier period), **to report consolidated net sales of 428 million euro** (-21.3%; 543.9 million euro at 31 March 2023).

Two-wheelers:

In the first quarter to 31 March 2024, the Group sold 91,400 two-wheelers worldwide (-26.7%; 124,700 two-wheelers sold in the year-earlier period) for **net sales of 331.7 million euro** (-24.1%; 437.2.2 million euro in the first quarter of 2023).

The figure **includes spares and accessories**, on which turnover totalled **34.9 million euro** (-9.5%; 38.6 million euro at 31 March 2023).

¹ 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.

The Piaggio Group obtained a 19.6% share of the scooter segment in Europe and further strengthened its positioning on the North American scooter market, with a share of 27.3%. In North America the Group continued work to consolidate its presence on the motorcycle market with the Aprilia and Moto Guzzi brands.

Commercial vehicles:

In **commercial vehicles**, the Piaggio Group reported 2024 first-quarter sales volumes of **29,000 vehicles** (-3.9%; 30,200 in the year-earlier period), with **net sales of 96.4 million euro** (-9.7%; 106.7 million euro at 31 March 2023). The figure includes **spares and accessories**, where **turnover totalled 16 million euro** (+7.1%; 14.9 million euro in the first quarter of 2023).

At geographical level, performance was positive in the Americas, where, thanks to the rise in sales volumes (+52.7%), turnover increased by 40.3%.

Piaggio Fast Forward:

Piaggio Fast Forward (PFF), the Boston-based subsidiary of the Piaggio Group active in robotics and mobility for the future, continued sales of its terrestrial drones gita[®], gitamini[®] and the new kilo[™], a revolutionary robot featuring smart following technology, which was presented in March. With a payload of up to 130 kg, kilo[™] is fitted with 4D radar imaging and the innovative package of sensors developed by PFF, enabling it to follow the operator, move autonomously, and travel along more than 100 paths stored in memory.

Gita[®], gitamini[®] e kilo[™] are produced in the Piaggio Fast Forward plant in Boston's Charlestown district. The **first marketing phase** for the robots focuses on the **US market**, where the circulation of robots on city streets is already regulated.

PFF designed and developed sensors with an innovative technology offering unparalleled safety, which have been fitted on the new Moto Guzzi Stelvio. Thanks to the integration of advanced rider assistance systems (ARAS), the new sensors play a vital role in accident prevention and rider protection.

Significant events in and after the first quarter of 2024

Supplementing the information published above or at the time of approval of the 2023 draft financial statements (directors' meeting of 4 March 2024), this section illustrates key events in and after the first quarter of 2024.

On 27 March, the President of the Italian Republic, Sergio Mattarella, received the Executive Chairman of the Piaggio Group, Matteo Colaninno, and the Group Chief Executive Officer, Michele Colaninno, at the Quirinale Palace on the occasion of the 140th anniversary of the foundation of the Piaggio company.

On 15 April 2024, Italy's Ministry for Enterprise and Made in Italy approved a development contract submitted by the Piaggio Group setting out an investment plan for approximately 112 million euro to expand production at the Piaggio factory in Pontedera (Pisa). Under the "E-Mobility" industrial development program, a new range of electric engines intended for new-generation zero-emission vehicles, and five industrial research and experimental development projects, are to be introduced.

On 15 April, Maverick Viñales riding an Aprilia bike won the Grand Prix of the Americas, giving the Noale-based constructor its 298th Grand Prix motorcycle racing victory.

On 17 April, the Piaggio & C. S.p.A. AGM approved amendments to the Articles of Association for the introduction of the one-tier governance and control model.

From 18 to 21 April, as part of the celebrations marking the 140th anniversary of the Piaggio company, for the first time the town of Pontedera, where the Group is based and where the Vespa was developed, hosted the annual rally of world Vespa Clubs. The event was attended by more than 30,000 Vespa enthusiasts and official representatives from 55 national Vespa Clubs.

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Outlook

In the absence of further critical factors in the global macroeconomic picture, Piaggio, thanks to its portfolio of iconic brands, admired around the world as symbols of Italian elegance, sportiness and advanced technology, has the goal to maintain the profitability of the last few months, independently of possible temporary slowdowns on some markets.

The current difficulties in international transport and the related rise in transport costs and times will continue to be managed through careful inventory and procurement management and planning, while working to improve efficiency.

In light of this, Piaggio confirms the investments planned in new products in the two-wheeler sector and in commercial vehicles, and the consolidation of its commitment to ESG issues. Important investment plans have been drawn up for the coming years in Italy, to be ready for the current energy transition. The decision to verticalise the development and production of strategic assets will be the key for efficient management of the new technologies.

* * *

Today, the Board of Directors also acknowledged that the Management Control Committee checked that all its members met the independence requirements pursuant to the Articles of Association, paragraph 3 of art. 148 of Legislative decree no. 58/1998, art. 16 of the Market Regulations adopted by Consob Resolution no. 20249/2017 and art. 2 of the Corporate Governance Code, thus confirming the checks already carried out by the Board and communicated on 22 April 2024.

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Conference call with analysts

The presentation of the financial results as at and for the first three months to 31 March 2024, which will be illustrated during a conference call with financial analysts, is available on the corporate website at www.piaggiogroup.com/en/investor/results.

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The Piaggio Group consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows at 31 March 2024 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 the 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 2022 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

	First Quarter 2024		First Quarter 2023	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
Net Sales ¹	428,037		543,927	6
Cost of materials	259,374	5,960	352,364	7,579
Cost of services and use of third-party assets ¹	61,775	361	70,870	496
Employee expense	66,680		67,133	
Depreciation and impairment property, plant and equipment	12,839		13,409	
Amortisation and impairment intangible assets	18,704		20,204	
Amortisation rights of use	2,420		2,568	
Other operating income	40,644	71	34,859	109
Impairment reversals (losses) net of trade and other receivables	(664)		(1,165)	
Other operating expense	4,878	1	6,205	8
EBIT	41,347		44,868	
Results of associates	(200)	(200)	5	5
Finance income	399		757	
Finance costs	12,042	68	9,362	14
Net exchange-rate gains/(losses)	(1,204)		234	
Profit before tax	28,300		36,502	
Income tax for the year	9,622		12,411	
Profit (loss) for the period	18,678		24,091	
Attributable to:				
Equity holders of the parent	18,678		24,091	
Minority interests	0		0	
Earnings per share (in €)	0.053		0.068	
Diluted earnings per share (in €)	0.053		0.068	

¹ As a result of the contractual changes made in 2024 to the sell-out promotions for the Indian market, the costs of the promotions, which previously were classified under services provided, are now deducted from revenue. Although the value in question is negligible, for the purpose of comparison with the 2024 figures, in the first quarter of 2023 an amount of €/000 2,857 has been reclassified from cost of services and deducted against revenue.

Consolidated Statement of Comprehensive Income

<i>In thousands of euro</i>	Q1 2024	Q1 2023
Profit (loss) for the period (A)	18,678	24,091
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	303	(281)
Total	303	(281)
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	1,659	(1,568)
Share of components of comprehensive income relating to equity-accounted investees	43	(171)
Total gains (losses) on cash flow hedges	(273)	(446)
Total	1,429	(2,185)
Other comprehensive income (expense) (B)*	1,732	(2,466)
Total comprehensive income (expense) for the period (A + B)	20,410	21,625
* Other comprehensive income (expense) takes related tax effects into account.		
Attributable to:		
Equity holders of the parent	20,409	21,629
Minority interests	1	(4)

Consolidated Statement of Financial Position

	<u>At 31 March 2024</u>		<u>At 31 December 2023</u>	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
ASSETS				
Non-current assets				
Intangible assets	760,457		754,142	
Property, plant and equipment	290,034		287,510	
Rights of use	37,312		36,866	
Equity investments	8,327		8,484	
Other financial assets	16		16	
Tax credits	7,907		9,678	
Deferred tax assets	68,134		70,439	
Trade receivables				
Other receivables	19,589		18,259	
Total non-current assets	1,191,776		1,185,394	
Current assets				
Trade receivables	120,343	411	58,878	394
Other receivables	78,929	33,871	86,879	33,859
Tax credits	23,302		18,855	
Inventories	403,128		328,017	
Other financial assets	1,957		6,205	
Cash and cash equivalents	229,193		181,692	
Total current assets	856,852		680,526	
Total Assets	2,048,628		1,865,920	

	<u>At 31 March 2024</u>		<u>At 31 December 2023</u>	
		<i>of which</i>		<i>of which</i>
	Total	<i>related parties</i>	Total	<i>related parties</i>
<i>In thousands of euro</i>				
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves attributable to equity holders of the parent	436,555		416,146	
Share capital and reserves attributable to minority interests	(174)		(175)	
Total shareholders' equity	436,381		415,971	
Non-current liabilities				
Financial liabilities	529,552		467,053	
Financial liabilities for rights of use	20,787	3,919	19,665	4,362
Trade payables				
Other non-current provisions	17,810		17,691	
Deferred tax liabilities	7,166		7,087	
Pension funds and employee benefits	24,793		25,222	
Tax payables				
Other payables	12,488		12,392	
Total non-current liabilities	612,596		549,110	
Current liabilities				
Financial liabilities	169,203		124,876	
Financial liabilities for rights of use	9,612	1,343	10,336	1,247
Trade payables	665,462	7,971	619,003	6,371
Tax payables	17,690		13,912	
Other payables	122,398	43,799	117,267	43,786
Current portion of other non-current provisions	15,286		15,445	
Total current liabilities	999,651		900,839	
Total Shareholders' equity and Liabilities	2,048,628		1,865,920	

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.

	Q1 2024		Q1 2023	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
<i>Operating activities</i>				
Profit (loss) for the period	18,678		24,091	
Income tax for the year	9,622		12,411	
Depreciation property, plant and equipment	12,839		13,409	
Amortisation of intangible assets	18,704		20,204	
Amortisation rights of use	2,420		2,568	
Allowances for risks, retirement funds and employee benefits	4,774		5,589	
Impairment losses / (Reversals)	664		1,147	
Losses/(Gains) realised on sale of property, plant and equipment	(304)		(3)	
Finance income	(399)		(757)	
Finance costs	12,042		9,362	
Income from public grants	(1,131)		(1,321)	
Share of results of associates	200		(5)	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(61,683)	(17)	(44,368)	(76)
(Increase)/Decrease in other receivables	6,174	(12)	(4,848)	132
(Increase)/Decrease in inventories	(75,111)		(21,714)	
Increase/(Decrease) in trade payables	46,459	1,600	(34,376)	1,152
Increase/(Decrease) in other payables	5,227	13	7,078	(26)
Increase/(Decrease) in provisions for risks	(2,743)		(2,789)	
Increase/(Decrease) in retirement funds and employee benefits	(2,452)		(2,782)	
Other movements	(11,354)		5,257	
Cash generated by operating activities	(17,374)		(11,847)	
Interest expense paid	(1,525)		(4,850)	
Tax paid	(5,065)		(7,353)	
Cash flow from operating activities (A)	(23,964)		(24,050)	
<i>Investment activities</i>				
Investment in property, plant and equipment	(14,332)		(9,970)	
Sale price or redemption value of property, plant and equipment	389		60	
Investment in intangible assets	(24,555)		(22,424)	
Sale price or redemption value of intangible assets	7		0	
Public grants collected	337		184	
Interest collected	228		570	
Cash flow from investment activities (B)	(37,926)		(31,580)	
<i>Financing activities</i>				
Own share purchases	0		(78)	
Loans received	139,869		89,242	
Outflow for loan repayments	(31,010)		(37,452)	
Other financial assets	4,248		0	
Payment of fees for rights of use	(2,904)		(2,679)	
Cash flow from financing activities (C)	110,203		49,033	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	48,313		(6,597)	
Opening balance	179,148		242,552	
Exchange differences	1,001		(2,425)	
Closing balance	228,462		233,530	