

PIAGGIO GROUP:

Established in 1884, the Piaggio Group is Europe's largest scooter and motorcycle manufacturer and one of the world leaders in its sector. Roberto Colaninno is Chairman and Chief Executive Officer of the Piaggio Group, while Matteo Colaninno is Deputy Chairman. Piaggio (PIA.MI) has been listed on the Italian stock exchange since 2006, and since 2003 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.

The Immsi Group's Chief Executive Officer and Chief Operating Officer is Michele Colaninno, who is also a director of the Piaggio Group and Chairman of the subsidiary Piaggio Fast Forward. In December 2004 Piaggio entered the motorcycle business with the acquisition of the Aprilia and Moto Guzzi brands.

Today the Piaggio Group has three separate business arms:

- **two-wheelers**, scooters and motorcycles ranging from 50cc to 1,400cc., with 393,100 vehicles shipped in 2018. The Group brands include: Piaggio (with the Liberty, Beverly, Medley, MP3 scooter models), Vespa, Aprilia (which competes in the MotoGP championship with the Aprilia Racing team), Moto Guzzi, Gilera and Derbi.
- **light commercial vehicles**, with the Ape and the Porter *in primis*. In 2018 the Group sold 210,500 light commercial vehicles and in September 2017 it signed an important strategic partnership with the Foton Motor Group, China's largest commercial vehicle manufacturer with revenues of about 46.5 billion CNY and approximately 40,000 employees around the world, for the production (in Italy) of new light commercial vehicles. Marketing is scheduled to begin in mid-2020.
- the **robotics division** with Piaggio Fast Forward, the Group mobility of the future research centre in Boston.

PIAGGIO IN THE WORLD

The Piaggio Group has **six industrial sites**: in Italy in **Pontedera** (Pisa), where its largest production plant is located, which produces Piaggio, Vespa and Gilera two-wheelers, light commercial vehicles for the European market and engines for scooters and motorcycles; **Noale**, the home of Aprilia Racing, and **Scorzè** (Venice), which produces Aprilia and Scarabeo two-wheelers; **Mandello del Lario** (Lecco), which has built Moto Guzzi motorcycles since 1921; in India in **Baramati** (in the state of Maharashtra); and in Vietnam in **Vinh Phuc**. The Group also has **four R&D centres**: one in Pontedera; one in Noale, home to the Aprilia Racing Team; the Piaggio Group Advanced Design Center in Pasadena, California; and **Piaggio Fast Forward (PFF), in Boston**. The Pontedera site also houses the **Piaggio Museum**, whose renovation has increased the annual average number of visitors to more than 60,000. In Mandello, the **Moto Guzzi Museum** displays the main vehicles produced by Moto Guzzi since its first model, which enthusiasts regard as two-wheeler milestones.

In the last few years, the Piaggio Group has been implementing an intensive **international expansion** program, to become a world player in its field today.

In June 2009 it entered the Vietnamese market, and in March 2012 it opened a production facility in **Hanoi**, regarded as an international example of best-practice quality and excellence. In five years, the Hanoi factory has produced more than 600,000 vehicles.

In April 2012 the Group opened its Indian facility, in Baramati (in the state of Maharashtra), to produce 3- and 4-wheel cargo vehicles for the Indian market and export, Vespa scooters (for the local market), Aprilia scooters (the multi-award winning Aprilia SR 150 and the Aprilia SR 125 and Storm 125), as well as diesel and turbocharged diesel engines for the Group's commercial vehicles.

The Piaggio Group also operates in **China**, through a joint venture held 45% by Piaggio. A development plan is being rolled out in the region, announced by Chairman Roberto Colaninno during the AGM in April 2017.

Across the Atlantic, the Group operates through **Piaggio Group Americas**, a subsidiary headquartered in New York, and on the west coast, in Pasadena, California, through the Piaggio Group Advanced Design Center. Also in the USA, **Piaggio Fast Forward Inc. (PFF)**, a Piaggio subsidiary headed by Michele Colaninno, was established in Boston in 2015 to conduct research into innovative mobility and transport solutions and technologies (see final section).

To celebrate its 130th anniversary, the Piaggio Group has published (for Rizzoli) ***“FuturPiaggio, - 6 lezioni italiane sulla mobilità e sulla vita”*** by Jeffrey Schnapp, who, through a futuristic research-oriented lens, looks back at the Group's history and outlines the philosophy and future of the company and its brands.

TWO-WHEELERS

The Piaggio Group product range comprises scooters, motorcycles and mopeds with displacements from 50 to 1,400cc for the **Piaggio, Vespa, Aprilia, Moto Guzzi, Gilera, Derbi, and Scarabeo** brands. The Piaggio Group brand portfolio includes some of the most prestigious and historic names in motorcycling: from **Gilera** (established in 1909), to **Moto Guzzi** (1921), **Derbi** (1922) and **Aprilia**, which in little more than twenty years has established itself as one of the most successful manufacturer brands in the world Speed and Superbike championships. In scooters, the extraordinary **Vespa** brand has been a byword for individual mobility on two wheels since 1946 and – with more than 18 million scooters sold to date – an incredibly long-lived commercial success and one of the world's most famous icons of Italian style and technology.

ELECTRIC WORLD

The Piaggio electric motor tradition dates back to the mid-1970s and the Group launched the first and best-selling hybrid scooter, the Piaggio Mp3 Hybrid. In November 2018, it launched the **Vespa Elettrica, a contemporary icon of Italian technology in the world**: the new scooter stands for advanced connectivity, silent operation, personalisation, accessibility, respect for the environment and unique style, values that have always distinguished the Vespa and once again in the Vespa Elettrica find full expression, confirming the Vespa as a market brand that has always been ahead of its time.

The Vespa Elettrica power unit delivers a top power of 4 kW to outperform a traditional 50 cc scooter, and has a maximum range of 100 km, with no significant difference between urban and non-urban settings, thanks to a modern lithium ion battery and an efficient kinetic energy recovery system, which recharges the battery during deceleration. A complete recharge normally takes 4 hours.

In 2016 the Group also introduced the Piaggio Wi-Bike, a pedal-assisted bicycle designed, developed and manufactured entirely by Piaggio. Thanks to its bike-rider connectivity systems, the Piaggio Wi-Bike is able to regulate the input of the electric motor according to the program selected by the rider.

THE MOTOPLEX STORES

In December 2014, the Group launched a program to strengthen its worldwide distribution network with the introduction of the Motoplex store concept and the opening of the first store.

The Motoplex stores offer the Group's full range of quality brands (Piaggio, Vespa, Aprilia and Moto Guzzi) and represent an innovative model of multibrand flagship store, consistent with the new global in-store experience strategy being developed by the Group in key metropolitan areas around the world. Today, Motoplex stores operate in Europe, America, Asia, India and Oceania, flanking the traditional dealer network. The largest Asian Motoplex was opened in 2017, in Bangkok. The event marked the Piaggio Group's entry on to the Thai motorcycle market, extending its already strong presence on the local scooter market. Openings in 2018 include the Motoplex stores in Hong Kong and in Bangalore.

ACTIVITIES IN SPORT

The Group has achieved outstanding results in sport: 104 world championship titles with Aprilia, Moto Guzzi, Gilera and Derbi.

A relative youngster in sport, Aprilia has become one of the most successful names in motorcycle racing history, with no fewer than 54 world championship titles (28 since its acquisition by the Piaggio Group).

Its most recent victories were in 2015, in the Superstock 1000 FIM Cup, when it secured the Riders and Manufacturers titles.

In 2015 Aprilia Racing made a return to the top world motorcycle racing class, MotoGP.

Aprilia Racing has significantly strengthened its team and commitment in preparation for the 2019 MotoGP season: Massimo Rivola was appointed as the new team CEO, alongside Technical Manager Romano Albesiano, and two top riders were engaged, Andrea Iannone (who joins racing team rider Aleix Espargarò), and Bradley Smith as tester. The technical squad has also been consolidated, with the arrival of two chief engineers, Antonio Jimenez and Fabrizio Cecchini.

From the Innovation perspective, the German Quality and Finance Institute named Aprilia as the top Italian innovative company in the motorcycle and scooter sector.

COMMERCIAL VEHICLES

In 2018 the Piaggio Group shipped 210,500 commercial vehicles worldwide, confirming its position as a player of growing importance on the market for 3- and 4-wheel light commercial vehicles for the transportation of passengers and goods. Besides the **Porter** and the **Quargo**, the Group brands in this sector include the iconic and versatile **Ape**, which celebrated its 70th anniversary in 2018. Since 1999 the Ape has also been produced in India, at the facility of Piaggio Vehicles Private Limited (PVPL, owned 100% by the Group) in Baramati, in the state of Maharashtra.

PVPL has an overall share of 23.3% on the Indian 3-wheeler market and is market leader in the cargo segment, with a share of 45%. The Group has implemented an important international development program for commercial vehicles, which began with the recent strengthening of its presence in the high-potential markets of Latin America, Africa and Asia and the extension of the distribution network to 23 countries.

In September 2017, in Beijing, the **Piaggio Group** and **Foton Motor Group** signed an important preliminary agreement for the strategic development of a new range of four-wheel light commercial vehicles. The agreement concerns the development of a new range of commercial vehicles and will lead to a significant expansion of the Group's core market. The vehicles will be manufactured in the Piaggio Group's Italian factories, and launched beginning in mid-2020.

PIAGGIO FAST FORWARD

Piaggio Fast Forward (PFF) is the Piaggio Group company based in Boston responsible for **Group research into mobility of the future**. In February 2017 it presented its first innovative projects, **Gita** and **Kilo**. These are two smart autonomous vehicles designed to improve mobility productivity in today's increasingly complex urban environments, with a payload of up to 20 kg and a range of 20 km in an urban setting. The vehicles accompany the user, map their surroundings, detect other moving objects, and collect and share data.

In 2018 PFF announced that the company will be expanding its footprint in Boston with a new facility located in Charlestown where all future Gitas will be designed and assembled.

During 2017 **PFF received a number of important acknowledgements for its work in robotics**, including the **Disruptive Genius – Company award** at the **2017 MITX Awards** for distinction in *“unconventional innovative thinking, being the first to explore new frontiers and promoting the innovation economy through its operations”*; inclusion in the **Top 100 Most Innovative and Disruptive construction Companies** in the *Robotics* category by **Disruptor Daily**, a prestigious international online daily, thanks to *“the strong technological capabilities of Gita”*; the prestigious **GOOD DESIGN® AWARDS 2017** in the *Robotics* category with Gita, *“considered a revolutionary and visionary project”*.

The **Chairman** of Piaggio Fast Forward is **Michele Colaninno**; **Greg Lynn** is **Chief Executive Officer** and **Jeffrey Schnapp** is **Chief Visionary Officer**.

The members of the PFF Advisory Board are **Roberto Colaninno** (Chairman and CEO of the Piaggio Group), **Nicholas Negroponte** (Founder of MIT Media Lab), **John Hoke** (Vice President Global Design at Nike), **Doug Brent** (Vice President Technology Innovation at Trimble), **Jeff Linnell** (former Director of Robotics at Google) and **Daniela Rus** (Director of the Science and Artificial Intelligence Laboratory at the MIT in Boston).

SUMMARY OF 2018 FINANCIAL RESULTS

In 2018 the Piaggio Group reported consolidated net sales of 1,389.5 million euro, up by 4.3% from 1,332.4 million euro in 2017, and Ebitda of 201.8 million euro (+4.9% from 192.3 million euro in 2017), with a return on net sales of 14.5%, the best result since the IPO in 2006. The industrial gross margin was 423.6 million euro (+4.5%) with a return on net sales of 30.5%; net profit was 36.1 million euro, up 80.6% from 20 million euro in 2017.

In 2018, the Piaggio Group sold 603,600 vehicles worldwide, an increase of 9.2% from 552,800 in 2017.

In the two-wheeler sector, Piaggio sold 393,100 vehicles worldwide, an improvement of 4.6% (376,000 in 2017), generating net sales of 957.9 million euro (942.1 million euro in 2017).

In Europe the Piaggio Group confirmed its leadership of the scooter segment in 2018, with a share of 25.3%. It also retained a strong presence on the North American scooter market, where its share reached 23.9% and where it is already taking action to strengthen its position in motorcycles in the region. On the Indian two-wheeler market, the Group reported a 30.3% increase in volumes, thanks to the excellent results of Vespa and Aprilia SR.

In the commercial vehicles sector, the Group sold 210,500 vehicles (176,800 in 2017) for net sales of 431.6 million euro (390.4 million euro in 2017). The figure includes spares and accessories, where sales totalled 47.7 million euro (+5.6% from 45.1 million euro in 2017). On the Indian market for commercial vehicles, the PVPL subsidiary had an overall market share of 23.3% in three-wheelers and confirmed its leadership in the Cargo segment with a share of 44.9%.

Net financial debt at 31 December 2018 stood at 429.2 million euro, an improvement of 17.5 million euro from 446.7 million euro at 31 December 2017.

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www.press.piaggiogroup.com