

PRESS RELEASE

PIAGGIO GROUP: FIRST QUARTER 2023

Piaggio Group Chairman and CEO Roberto Colaninno: *"The Piaggio Group has closed another record-breaking quarter with the best results to date, the sixth consecutive quarter to report growth¹. Net sales rose by 20%, to more than 500 million euro, EBITDA was 81 million euro, with an EBITDA margin of 14.8%, and net profit almost doubled from the year-earlier period, to reach 24.1 million euro. These results make us very satisfied with the effort we have put into our work and mean we can look ahead with confidence and optimism as we continue along the important growth path we have already mapped out, confirming the investments we have planned and our commitment to ESG issues. The key objective for 2023 is to conserve margins and make improvements wherever possible."*

- **Consolidated net sales up 20% to 546.8 million euro, the highest ever first-quarter result** (455.8 €/mln at 31.03.2022)
- **Industrial gross margin 148.2 million euro, up 27%** (116.8 €/mln at 31.03.2022), **27.1% return on net sales** (25.6% at 31.03.2022)
- **EBITDA 81 million euro, the highest ever first-quarter result, with an improvement of 34.9%** (60.1 €/mln at 31.03.2022). **EBITDA margin 14.8%** (13.2% at 31.03.2022)
- **EBIT 44.9 million euro, up 62.2%** (27.7 €/mln at 31.03.2022). **EBIT margin 8.2%** (6.1% at 31.03.2022)
- **Profit before tax 36.5 million euro, up 78.7%** (20.4 €/mln at 31.03.2022)
- **Net profit 24.1 million euro, the best-ever first-quarter result, almost double net profit of 12.7 €/mln at 31.03.2022**
- **Net financial position -428 €/mln, an improvement of 13 €/mln from -441.1 €/mln at 31.03.2022**
- **154,900 vehicles shipped worldwide, up by 9.2%** (141,800 at 31.03.2022)
- **Capital expenditure approximately 32.4 million euro, up 21.7%** (26.6 €/mln at 31.03.2022)

* * *

Pontedera, 05 May 2023 - At a meeting today chaired by Roberto 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 2023.

Piaggio Group business and financial performance at 31 March 2023²

Group consolidated net sales amounted to 546.8 million euro, the best result ever reported for the first quarter, with an improvement of 20% from 455.8 million euro and growth in all the

¹ Quarters whose Consolidated net sales, Industrial gross margin, EBITDA, EBIT and Net profit increased with respect to the year-earlier periods.

² 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.

regions where the Group operates: EMEA and Americas (+19.5%), Asia Pacific (+12.4%) and India (+34.1%).

The **industrial gross margin** was **148.2 million euro**, an **improvement of 27%** (116.8 million euro in the year-earlier period), **for a return on net sales of 27.1%** (25.6% at 31 March 2022).

Group **operating expense** in the first quarter was **103.4 million euro** (89.1 million euro in the first quarter of 2022). The rise in operating expense was linked to the increase in turnover and shipments.

The changes in the income statement described above generated **consolidated EBITDA of 81 million euro**, the **best ever recorded, up by 34.9%** (60.1 million euro at 31 March 2022). The **EBITDA margin**, at **14.8%**, was the **best to date** (13.2% at 31 March 2022).

EBIT amounted to **44.9 million euro**, a **rise of 62.2%** from 27.7 million euro at 31 March 2022. The **EBIT margin** was **8.2%** (6.1% at 31 March 2022).

Pre-tax profit for the quarter was **36.5 million euro**, an **increase of 78.7%** (20.4 million euro in the year-earlier period). Income tax for the period was 12.4 million euro, with an impact on pre-tax profit of 34%.

The **Piaggio Group's net profit for the first quarter of 2023 was its best ever for the period, at 24.1 million euro**, almost **double (+90.2%)** the figure of 12.7 million euro posted in the first quarter of 2022.

Net financial debt at 31 March 2023 stood at -428 million euro, an **improvement of 13 million euro** from -441.1 million euro at 31 March 2022. The increase compared with net debt at 31 December 2022 (-368.2 million euro) was due to the seasonal nature of the two-wheeler business, which absorbs resources in the first half of the year and generates resources in the second half.

Group shareholders' equity at 31 March 2023 was 439.4 million euro (417.8 million euro at 31 December 2022).

Operations in the first three months to 31 March 2023

During the first quarter, the Piaggio Group sold 154,900 vehicles worldwide(141.800 in the first quarter of 2022), **an increase of 9.2%**, **for consolidated net sales of 546.8 million euro** (455.8 million euro in the year-earlier period). All the regions in which the Group operates made a positive contribution to growth.

Two-wheelers:

In the first quarter to 31 March 2023, the Group sold 124,700 two-wheelers worldwide, an **increase of 4.8%** from 119,000 in the year-earlier period, generating **net sales of 438 million euro**, an **increase of 17.1%** from 374 million euro at 31 March 2022.

The figure **includes spares and accessories**, on which turnover totalled **38.7 million euro**, (+31.4% from 29.4 million euro at 31 March 2022).

Turnover on first-quarter two-wheeler sales was particularly strong in the EMEA & Americas area (+21.9%), with very healthy performance on the **Italian market (+40.3%)** and the **American market (+58.2%)**, followed by **Asia Pacific (+12.4%)**.

In Europe, the Piaggio Group reported a 21.7% share of the scooter segment (21% at 31 March 2022) and **further strengthened its positioning on the North American scooter market**, with a

share of 26.4% (24.6% at 31 March 2022). In North America the Group is also working to consolidate its presence on the motorcycle market with the Aprilia and Moto Guzzi brands.

The **scooter sector reported a 16.8% rise in worldwide turnover**, led by the **Vespa brand**, which recorded a **turnover increase of almost 18%**, by the Piaggio MP3 three-wheeler and by the Piaggio Beverly, Medley and Liberty high-wheel scooters.

The **motorcycle sector closed the first quarter of 2023 with a 12.7% turnover improvement and record results**. **Moto Guzzi reported its best-ever first quarter, with sales volumes up by more than 30% and turnover improving 55%**, with an important contribution from the new Moto Guzzi V100 Mandello. The **Aprilia brand** enjoyed an excellent first three months, thanks to sales of the **RSV4 super sports model, the Aprilia RS 660, the Tuono 660 and 1100, and the Tuareg 600, which also achieved important results in rally competitions**.

Commercial vehicles:

In **commercial vehicles**, the Piaggio Group reported 2023 first-quarter sales volumes of **30,200 vehicles, up 32.4%** (22,800 in the year-earlier period), with **net sales of 108.8 million euro, up 32.9%** from 81.8 million euro at 31 March 2022. The figure includes **spares and accessories**, where **turnover totalled 15.4 million euro (+21.1% from 12.7 million euro in the first quarter of 2022)**.

At **geographical level, the Indian market gained strength with turnover from commercial vehicles rising 54% and sales volumes up 36.1%**. The EMEA & Americas region reported an improvement in turnover, and a 7.7% increase in sales volumes.

Piaggio Fast Forward:

Piaggio Fast Forward (PFF), the Piaggio Group robotics and future mobility company based in Boston, expanded its product portfolio with the addition of **gitamini®**, a new robot that condenses the technology and functions of **gita®**, its revolutionary “big brother”, in a lighter, more compact design.

Gita® and **gitamini®** are made 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 moved ahead with a series of **pilot programs**, together with partners active in various business sectors, to test **further applications for gita® in the travel, residential and retail sectors and in last-mile delivery**. PFF also announced an agreement with **Trimble**, a Nasdaq-listed company, to **develop robots and machines to follow humans and other devices in industrial applications**.

PFF has designed and developed sensors with an innovative technology, which made their debut on the new Piaggio MP3 three-wheel scooter, to deliver unparalleled safety. 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 2023

Supplementing the information published above or at the time of approval of the 2022 draft financial statements (directors’ meeting of 2 March 2023), this section illustrates key events in and after the first quarter of 2023.

On 10 March the presentation was held of the Aprilia Racing team for the MotoGP 2023 world championship. The project continues to develop, and the first season will see four RS-GP bikes

and four top-level riders on the circuits: Aleix Espargaró and Maverick Viñales – confirmed as official riders – Miguel Oliveira and Raul Fernandez for the satellite Aprilia RNF CryptoData team.

* * *

Outlook

Although it is still difficult to provide guidance given the continuing difficulties caused by geopolitical tensions, thanks to its unique brand portfolio Piaggio will continue its growth program, confirming its planned investments in new products and new facilities and strengthening its commitment to ESG issues.

In this general situation, Piaggio will continue as ever to work to meet its commitments and objectives, keeping a constant focus on efficient management of its economic and financial structure so that it can respond immediately and in a flexible manner to the challenges and uncertainties of 2023.

* * *

Conference call with analysts

The presentation of the financial results as at and for the three months to 31 March 2023, which will be illustrated during a conference call with financial analysts, is available on the corporate website at www.piaggiogroup.com/it/investor.

* * *

Piaggio S.p.A. said that the Interim Report on Operations as at and for the three months to 31 March 2023 will be published and made available to the public at the company registered office, in the “eMarket STORAGE” authorised storage mechanism at www.emarketstorage.com and on the issuer’s website www.piaggiogroup.com (section “Investors/Financial Reports/2023”) by 15 May 2023.

* * *

The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at and for the three months to 31 March 2023 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.

For more information:

Piaggio Group Corporate Press Office
Director Diego Rancati
Via Broletto, 13 - 20121 Milan
+39 02 319612 19
diego.rancati@piaggio.com

Image Building
Via Privata Maria Teresa, 11 - 20123 Milan - Italy
+39 02 89011300 - piaggio@imagebuilding.it

Piaggio Group Investor Relations
Director Raffaele Lupotto
Viale Rinaldo Piaggio, 25
56025 Pontedera (PI)
+39 0587.272286
investorrelations@piaggio.com
piaggiogroup.com

- ACCOUNTING SCHEDULES FOLLOW -

Consolidated Income Statement

	Q1 2023		Q1 2022	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
Net Sales	546,784	6	455,818	
Cost of materials	352,364	7,579	291,801	14,001
Cost of services and use of third-party assets	73,727	496	65,076	307
Employee expense	67,133		65,310	
Depreciation and impairment property, plant and equipment	13,409		12,068	
Amortisation and impairment intangible assets	20,204		18,270	
Amortisation rights of use	2,568		2,073	
Other operating income	34,859	109	32,654	103
Impairment reversals (losses) net of trade and other receivables	(1,165)		(972)	
Other operating expense	6,205	8	5,237	
EBIT	44,868		27,665	
Results of associates	5	5	(67)	(67)
Finance income	757		349	
Finance costs	9,362	14	5,695	20
Net exchange-rate gains/(losses)	234		(1,826)	
Profit before tax	36,502		20,426	
Income tax expense	12,411		7,762	
Profit from continuing operations	24,091		12,664	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	24,091		12,664	
Attributable to:				
Equity holders of the parent	24,091		12,664	
Minority interests	0		0	
Earnings per share (in €)	0.068		0.035	
Diluted earnings per share (in €)	0.068		0.035	

Consolidated Statement of Comprehensive Income

	Q1 2023	Q1 2022
<i>In thousands of euro</i>		
	24,091	12,664
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	(281)	1,370
Total	(281)	1,370
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	(1,568)	(1,272)
Share of components of comprehensive income relating to equity-accounted investees	(171)	269
Total gains (losses) on cash flow hedges	(446)	594
Total	(2,185)	(409)
Other comprehensive income (expense) (B)*	(2,466)	961
Total comprehensive income (expense) for the period (A + B)	21,625	13,625
* Other comprehensive income (expense) takes account of the related tax effects		
Attributable to:		
Equity holders of the parent	21,629	13,653
Minority interests	(4)	(28)

Consolidated Statement of Financial Position

	At 31 March 2023		At 31 December 2022	
	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	731,276		729,524	
Property, plant and equipment	286,773		291,366	
Rights of use	36,178		36,861	
Equity investments	9,748		9,913	
Other financial assets	16		16	
Tax credits	8,820		8,820	
Deferred tax assets	67,592		71,611	
Trade receivables				
Other receivables	19,344		20,021	
Total non-current assets	1,159,747		1,168,132	
Assets held for sale				
Current assets				
Trade receivables	111,298	544	67,143	468
Other receivables	60,709	26,161	56,118	26,293
Tax credits	38,133		45,101	
Inventories	401,392		379,678	
Other financial assets	191		59	
Cash and cash equivalents	235,595		242,616	
Total current assets	847,318		790,715	
Total Assets	2,007,065		1,958,847	

	<u>At 31 March 2023</u>		<u>At 31 December 2022</u>	
	Total	<i>of which related parties</i>	Total	<i>of which 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	439,528		417,977	
Share capital and reserves attributable to minority interests	(170)		(166)	
Total Shareholders' equity	439,358		417,811	
Non-current liabilities				
Financial liabilities	500,639		510,790	
Financial liabilities for rights of use	16,025	944	17,713	1,000
Trade payables				
Other non-current provisions	16,047		16,154	
Deferred tax liabilities	5,422		5,173	
Pension funds and employee benefits	25,497		25,714	
Tax payables				
Other payables	15,468		15,530	
Total non-current liabilities	579,098		591,074	
Current liabilities				
Financial liabilities	134,622		71,149	
Financial liabilities for rights of use	12,347	1,184	11,192	1,296
Trade payables	705,456	11,010	739,832	9,858
Tax payables	19,548		19,022	
Other payables	100,850	26,424	93,710	26,450
Current portion of other non-current provisions	15,786		15,057	
Total current liabilities	988,609		949,962	
Total Shareholders' equity and Liabilities	2,007,065		1,958,847	

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 2023		Q1 2022	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
<i>Operating assets</i>				
Profit (loss) for the period	24,091		12,664	
Income tax expense	12,411		7,762	
Depreciation property, plant and equipment	13,409		12,068	
Amortisation of intangible assets	20,204		18,270	
Amortisation rights of use	2,568		2,073	
Allowances for risks, retirement funds and employee benefits	5,589		4,689	
Impairment losses / (Reversals)	1,147		972	
Losses / (Gains) realised on sale of property, plant and equipment	(3)		1	
Finance income	(757)		(349)	
Finance costs	9,362		5,695	
Income from public grants	(1,321)		(944)	
Share of results of associates	(5)		67	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(44,368)	(76)	(59,853)	96
(Increase)/Decrease in other receivables	(4,848)	132	(397)	(208)
(Increase)/Decrease in inventories	(21,714)		(72,145)	
Increase/(Decrease) in trade payables	(34,376)	1,152	57,890	3,807
Increase/(Decrease) in other payables	7,078	(26)	5,486	(158)
Increase/(Decrease) in provisions for risks	(2,789)		(3,779)	
Increase/(Decrease) in retirement funds and employee benefits	(2,782)		(3,044)	
Other movements	5,257		(9,953)	
Cash generated by operating activities	(11,847)		(22,827)	
Interest expense paid	(4,850)		(3,378)	
Tax paid	(7,353)		(6,044)	
Cash flow from operating activities (A)	(24,050)		(32,249)	
<i>Investing activities</i>				
Investment in property, plant and equipment	(9,970)		(7,826)	
Sale price or redemption value of property, plant and equipment	60		1	
Investment in intangible assets	(22,424)		(18,785)	
Sale price or redemption value of intangible assets	0		3	
Public grants collected	184		61	
Interest collected	570		356	
Cash flow from investing activities (B)	(31,580)		(26,190)	
<i>Financing activities</i>				
Own share purchases	(78)		(206)	
Loans received	89,242		56,073	
Outflow for loan repayments	(37,452)		(37,574)	
Payment of fees for rights of use	(2,679)		(2,004)	
Cash flow from financing activities (C)	49,033		16,289	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(6,597)		(42,150)	
Opening balance	242,552		260,856	
Exchange differences	(2,425)		182	
Closing balance	233,530		218,888	