PRESS RELEASE

PIAGGIO GROUP RESULTS AT 30 SEPTEMBER 2021

Piaggio Group Chairman and CEO Roberto Colaninno: *"The Piaggio Group's results for the first nine months of 2021 are obviously satisfying, given the problems ensuing from the pandemic. The strong improvement in EBITDA to approximately 193 million euro and cash inflows enabled us to reduce debt by more than 70 million euro.*
Raising productivity continues to be our objective, in order to mitigate the obvious complications in global supplies."

- **Consolidated net sales 1,319.2 million euro, the best nine-month result since 2007, with growth of 32.7% (+34.9 % at constant exchange rates)** (993.8 €/mln at 30.09.2020), **and 9.9% from 30.09.2019**

- **Industrial gross margin 365.6 million euro, up 27.8% (+28.5% at constant exchange rates)** (286 €/mln in the first nine months of 2020) **27.7% return on net sales** (28.8% at 30.09.2020)

- **EBITDA 192.9 million euro, +28.5%** (150.1 €/mln at 30.09.2020).
  EBITDA margin 14.6% (15.1% at 30.09.2020)

- **EBIT 97.4 million euro, up 53.1%** (63.6 €/mln at 30.09.2020).
  EBIT margin 7.4% (6.4% at 30.09.2020)

- **Profit before tax 83.2 million euro, up 71.3%** (48.5 €/mln at 30.09.2020)

- **Net profit 51.6 million euro, up 77.1%** (29.1 €/mln at 30.09.2020)

- **Net financial position -372.7 €/mln, an improvement of 72.1 €/mln from -444.8 €/mln at 30.09.2020 and 50.9 €/mln from -423.6 €/mln at 31.12.2020**

- **430,600 vehicles shipped worldwide, up by 21.7%** (353,900 at 30.09.2020)

- **Capital expenditure 102.2 million euro, up 16.2%** (88 €/mln at 30.09.2020)

Pontedera, 29 October 2021 – 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 for the nine months to 30 September 2021.

Piaggio Group business and financial performance at 30 September 2021[1]

Group **consolidated net sales** totalled **1,319.2 million euro, the best nine-month result since 2007,** with a **strong increase of 32.7% (+34.9% at constant exchange rates)** against 993.8 million euro in the year-earlier period.

The **industrial gross margin** was **365.6 million euro, up 27.8% (+28.5% at constant exchange rates)** compared to 286 million euro at 30 September 2020. **The return on net sales was 27.7%** (28.8% at 30 September 2020).

[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.

Group **operating expense** in the first nine months to 30 September 2021 was **268.1 million euro**, an increase of 45.8 million euro from the year-earlier period, when operations at the production plants were suspended due to the lockdowns around the world. The increase was also driven by the rise in turnover and vehicle sales.

The income-statement figures described above produced **EBITDA of 192.9 million euro, the best result for the first nine months since 2007, with a strong increase of 28.5%** from 150.1 million euro in the year-earlier period. The **EBITDA margin was 14.6%** (15.1% at 30 September 2020).

EBIT amounted to **97.4 million euro, an improvement of 53.1%** from 63.6 million euro at 30 September 2020. The **EBIT margin was 7.4%** (6.4% at 30 September 2020).

Pre-tax profit in the first nine months was **83.2 million euro, up 71.3%** from 48.5 million euro at 30 September 2020. Income tax for the period was 31.6 million euro, with an impact on pre-tax profit of about 38%.

The **Piaggio Group** closed the first nine months of 2021 with **net profit of 51.6 million euro, an increase of 77.1%** compared with 29.1 million euro in the year-earlier period.

Net financial debt at 30 September 2021 stood at 372.7 million euro, an improvement of 72.1 million euro from 444.8 million euro at 30 September 2020 and an improvement of 50.9 million euro from 423.6 million euro at 31 December 2020. Compared with the financial position at 30 September 2020, which was severely affected by the block on sales as a result of the Covid-19 pandemic, the reduction in debt was achieved through careful management of working capital and the operating cash flows generated by the Group's positive business performance, which also enabled absorption of a higher capital expenditure requirement.

Group shareholders' equity at 30 September 2021 was 393.1 million euro (372 million euro at 31 December 2020).

During the first nine months, Piaggio Group **capital expenditure amounted to 102.2 million euro, an increase of 16.2%** from expenditure of 88 million euro in the year-earlier period.

<u>Operations in the nine months to 30 September 2021</u>

In the first nine months to 30 September 2021, the Piaggio Group sold 430,600 vehicles worldwide (**+21.7%** from 353,900 in the year-earlier period), **and reported consolidated net sales of 1,319.2 million euro. The growth in volumes arose in all geographical regions.**

Two-wheelers:

In the nine months to 30 September 2021, the Piaggio Group sold 366,000 two-wheelers worldwide (**+28.9%** from 284,100 at 30 September 2020), generating **net sales of 1,110.2 million euro, an increase of +39.3%** from 797.2 million euro in the year-earlier period.
The figure **includes spares and accessories,** on which turnover totalled **105.8 million euro**, **an increase of 18.1%** from 89.6 million euro in the year-earlier period.

Two-wheeler sales in the first nine months of 2021 were particularly significant in all areas covered by the Group. Specifically, **sales volumes almost doubled on the Indian market and rose by 39% in Asia Pacific.** In the **EMEA & Americas area, volumes increased by 15.3%,** driven by the upturn on the American market (+62.6%) and the Italian market (+22.2%).

The Piaggio Group confirmed its leadership in the European scooter segment with a share of 23.1% and **further strengthened its positioning on the North American scooter market, with a**

share of 36.1% (27.3% in the first nine months of 2020). In North America the Group is also working to consolidate its presence on the motorbike market with the Aprilia and Moto Guzzi brands.

The **scooter segment reported double-digit growth in global sales**, led by the **Vespa brand (with record sales of more than 40% from 30 September 2020), the Piaggio Beverly and Piaggio Liberty high-wheel scooters, and the Aprilia scooters.**

Performance was also very positive in motorcycles, where the Aprilia and Moto Guzzi brands both achieved record sales in the first nine months of the year, reporting their highest volumes and turnover ever. There was a strong market response to the new Aprilia RS and Aprilia Tuono bikes with 660 cc engines, and to the Moto Guzzi V7 and V85TT.

Commercial vehicles:

In **commercial vehicles,** the Piaggio Group reported nine-month sales volumes of **64,600 vehicles** (-7.5% compared to 69,800 in the year-earlier period), with **net sales of 209.1 million euro** (+6.3% from 196.6 million euro at 30 September 2020). The figure **includes spares and accessories, on which turnover totalled 34.2 million euro**, **an increase of 27.1%** from 26.9 million euro in the year-earlier period.

At geographical level, **performance was positive in the EMEA and Americas area (+31.3% volumes; +38.7% net sales)**, **benefiting from the marketing launch of the new Porter NP6**.

The slowdown in the commercial vehicles business was due to the slackening in India caused by the protracted Covid-19 health crisis, leading to a fall in sales volumes in the first nine months to 30 September 2021.
Nevertheless, the **PVPL** subsidiary (Piaggio Vehicles Private Ltd.) had an **overall share of 21% of the Indian three-wheeler market and confirmed its leadership in the Cargo segment with a share of 36.1%.**

Piaggio Fast Forward:

Piaggio Fast Forward (PFF), the Piaggio Group robotics and future mobility company based in Boston, expanded its offer with the presentation in September 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 kicked off 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 local food delivery**.
In March, PFF announced an agreement with Trimble, a Nasdaq-listed company, **to develop robots and machines to follow humans and other devices in industrial applications.**

Significant events in and after the first nine months of 2021

Supplementing the information published above or at the time of approval of the interim report at 30 June 2021 (directors' meeting of 30 July 2021), this section illustrates key events in and after the first nine months of 2021.

On 5 August Piaggio Fast Forward (PFF) announced the development of its new sensor technology for domestic and industrial robots, as well as for scooters and motorcycles. The hardware and software modules combine a high level of safety with affordable pricing, to guarantee reliable monitoring independently of light and environmental conditions. PFF signed a contract with Vayyar Imaging for the supply of Radar-on-Chip systems, developing the first safety platform based on 4D Radar Imaging for scooters and motorcycles. The sensor package for scale production of Advanced Rider Assistance Systems (ARAS) is developed, built and supplied by Piaggio Fast Forward for Piaggio Group motorcycles.

On 6 September, further to the letter of intent of 1 March 2021, the Piaggio Group, Honda Motor Co. Ltd., KTM F&E GmbH and Yamaha Motor Co. Ltd. signed an official agreement for the creation of the Swappable Batteries Motorcycle Consortium (SBMC), to promote wide-scale use of lightweight electric vehicles such as mopeds, scooters, motorcycles, motorised tricycles and quad bikes, and promote more sustainable management of battery life in line with international climate policies.

On 10 September, the important project for the preservation and restructuring of the Moto Guzzi industrial site was presented in Mandello del Lario. The project was commissioned from world-famous US architect and designer Greg Lynn and involves the entire site. Unique of its kind and in its style, this is a futuristic project: a location with open spaces for use by the public. On the same day, the new Moto Guzzi V100 was displayed in a world preview. The bike will be officially unveiled at the EICMA 2021 international motorcycle show.

Towards the end of September, with rulings issued within a few days of each other, the Judicial Tribunal of Paris and the Court of Milan found Peugeot Motocycles (now owned by an Indian Group) guilty of infringing a European patent on the technology of the Piaggio MP3 three-wheel scooter with the Peugeot Metropolis model. The patent in question owned by the Piaggio Group to which the rulings in its favour refer (still subject to appeal) relates to the control system that enables a three-wheel vehicle to tilt sideways like a conventional motorcycle.

On 25 October, the Piaggio Group, bp and its Indian subsidiary Jio-bp announced a memorandum of understanding to identify opportunities for cooperation on the rapidly expanding two- and three-wheel electric vehicle market. The aim is to offer charging and interchangeable battery stations, as well as all-inclusive services such as "Battery as a Service” (BaaS), which comprises battery leasing, management and recycling, and "Vehicle as a Service" (VaaS), for vehicle leasing, repairs, maintenance and intelligent energy management. The partners intend to explore growth opportunities in Asia – China, Indonesia and Vietnam – and in Europe.

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Outlook

In a market context that remains positive, providing guidance continues to be complex given the ongoing uncertainty over the evolution of the pandemic, compounded by a series of difficulties such as the general rise in the cost of commodities and problems for procurement, especially from the Far East.

Against this general picture, in the year that it celebrates Moto Guzzi’s centenary and Vespa’s 75th anniversary, Piaggio will move ahead with the launch of the 11 new two-wheelers scheduled for 2021 and operations relating to the increase in expenditure announced at the beginning of the year with the new E-mobility department, the new factory in Indonesia and the complete restructuring of the Moto Guzzi production facility and museum areas.

Piaggio confirms that, as indicated when it published its first-half results, it will continue to work to meet its commitments and targets, maintaining all the necessary measures to ensure a flexible and immediate response to any difficult and unexpected situations that might arise, thanks to careful and efficient business and financial management.

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Conference call with analysts

The presentation of the financial results for the first nine months to 30 September 2021, which will be illustrated during a conference call with financial analysts, is available on the corporate website at *www.piaggiogroup.com/it/investor*.

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The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at 30 September 2021 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 Legislative Decree no. 58/1998 (Consolidated Finance Act), that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

The interim report for the first nine months to 30 September 2021 will be published by 14 November 2021 and made available to the public at the company's registered office, on the institutional website (www.piaggiogroup.com) in the Investor/Bilanci e Relazioni section, and on the "eMarket Storage" authorised storage mechanism (at www.emarkestorage.com).

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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 2020 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 nine months 2021		First nine months 2020	
	Total	*of which related parties*	Total	*of which related parties*
In thousands of euro				
Net Sales	1,319,224	9	993,819	23
Cost of materials	(834,308)	(24,800)	(612,086)	(13,063)
Cost of services and use of third-party assets	(196,676)	(1,142)	(145,843)	(1,421)
Employee expense	(181,981)		(156,834)	
Depreciation and impairment property, plant and equipment	(33,502)		(29,230)	
Amortisation and impairment intangible assets	(55,971)		(50,842)	
Amortisation rights of use	(5,969)		(6,340)	
Other operating income	107,770	369	87,581	452
Impairment reversals (losses) net of trade and other receivables	(1,467)		(1,473)	
Other operating expense	(19,676)	(18)	(15,104)	(18)
EBIT	**97,444**		**63,648**	
Results of associates	609	630	797	772
Finance income	664		965	
Finance costs	(19,283)	(80)	(20,748)	(146)
Net exchange-rate gains/(losses)	3,737		3,877	
Profit before tax	**83,171**		**48,539**	
Income tax expense	(31,605)		(19,416)	
Profit from continuing operations	**51,566**		**29,123**	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	**51,566**		**29,123**	
Attributable to:				
Equity holders of the parent	**51,566**		**29,123**	
Minority interests	**0**		**0**	
Earnings per share (in €)	**0.144**		**0.082**	
Diluted earnings per share (in €)	**0.144**		**0.082**	

Consolidated Statement of Comprehensive Income

In thousands of euro	First nine months 2021	First nine months 2020
Profit (loss) for the period (A)	**51,566**	**29,123**
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	(10)	(285)
Total	**(10)**	**(285)**
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	4,421	(6,866)
Share of components of comprehensive income relating to equity-accounted investees	787	(206)
Total gains (losses) on cash flow hedges	3,972	269
Total	**9,180**	**(6,803)**
Other comprehensive income (expense) (B)*	**9,170**	**(7,088)**
Total comprehensive income (expense) for the period (A + B)	**60,736**	**22,035**

* Other comprehensive income (expense) takes related tax effects into account.

Attributable to:		
Equity holders of the parent	**60,739**	**21,968**
Minority interests	**(3)**	**67**

Consolidated Statement of Financial Position

	At 30 September 2021		At 31 December 2020	
	Total	*of which related parties*	**Total**	*of which related parties*
In thousands of euro				
ASSETS				
Non-current assets				
Intangible assets	709,945		695,646	
Property, plant and equipment	268,071		264,616	
Rights of use	32,065		33,241	
Investment property			4,600	
Equity investments	10,551		9,134	
Other financial assets	16		37	
Tax credits	11,442		12,399	
Deferred tax assets	56,693		64,686	
Trade receivables				
Other receivables	22,323	67	26,260	81
Total non-current assets	**1,111,106**		**1,110,619**	
Assets held for sale				
Current assets				
Trade receivables	112,520	453	68,692	423
Other receivables	49,599	16,532	44,241	16,274
Tax credits	20,663		12,851	
Inventories	267,927		189,864	
Other financial assets			2,617	
Cash and cash equivalents	199,118		230,093	
Total current assets	**649,827**		**548,358**	
Total Assets	**1,760,933**		**1,658,977**	

	At 30 September 2021		At 31 December 2020	
	Total	*of which related parties*	**Total**	*of which related parties*
In thousands of euro				
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves attributable to equity holders of the parent	393,206		372,159	
Share capital and reserves attributable to minority interests	(150)		(147)	
Total Shareholders' equity	**393,056**		**372,012**	
Non-current liabilities				
Financial liabilities	439,967		465,776	
Financial liabilities for rights of use	16,617	2,543	17,994	3,512
Trade payables				
Other non-current provisions	13,095		12,543	
Deferred tax liabilities	7,409		5,227	
Pension funds and employee benefits	32,433		34,998	
Tax payables	3,473			
Other payables	11,874		11,094	
Total non-current liabilities	**524,868**		**547,632**	
Current liabilities				
Financial liabilities	108,209		163,510	
Financial liabilities for rights of use	7,067	1,367	8,582	1,952
Trade payables	627,897	21,331	489,964	5,770
Tax payables	19,817		12,987	
Other payables	61,769	4,438	46,316	4,058
Current portion of other non-current provisions	18,250		17,974	
Total current liabilities	**843,009**		**739,333**	
Total Shareholders' equity and Liabilities	**1,760,933**		**1,658,977**	

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.

	First nine months 2021		First nine months 2020	
	Total	of which related parties	Total	of which related parties
In thousands of euro				
Operating assets				
Profit (loss) for the period	51,566		29,123	
Income tax expense	31,605		19,416	
Depreciation property, plant and equipment	33,502		29,230	
Amortisation of intangible assets	55,971		50,842	
Amortisation rights of use	5,969		6,340	
Allowances for risks, retirement funds and employee benefits	18,065		12,157	
Impairment losses / (Reversals)	1,469		3,381	
Losses / (Gains) realised on sale of property, plant and equipment	(116)		(108)	
Finance income	(664)		(965)	
Dividend income	0		(25)	
Finance costs	19,283		20,748	
Income from public grants	(2,333)		(3,015)	
Share of results of associates	(630)		(772)	
Change in working capital:				
(Increase)/Decrease in trade receivables	(45,156)	(30)	(18,668)	30
(Increase)/Decrease in other receivables	(1,562)	(244)	(12,687)	435
(Increase)/Decrease in inventories	(78,063)		10,973	
Increase/(Decrease) in trade payables	137,933	15,561	(28,924)	3,090
Increase/(Decrease) in other payables	16,233	380	13,473	146
Increase/(Decrease) in provisions for risks	(11,821)		(5,484)	
Increase/(Decrease) in retirement funds and employee benefits	(8,432)		(2,197)	
Other movements	(5,979)		(1,141)	
Cash generated by operating activities	**216,840**		**121,697**	
Interest expense paid	(15,185)		(13,774)	
Tax paid	(16,251)		(8,991)	
Cash flow from operating activities (A)	**185,404**		**98,932**	
Investing activities				
Investment in property, plant and equipment	(33,235)		(27,960)	
Sale price or redemption value of property, plant and equipment	5,686		290	
Investment in intangible assets	(69,009)		(60,027)	
Sale price or redemption value of intangible assets	62		8	
Public grants collected	1,062		954	
Dividends collected	0		25	
Interest collected	470		796	
Cash flow from investing activities (B)	**(94,964)**		**(85,914)**	
Financing activities				
Own share purchases	(53)		(217)	
Outflow for dividends paid	(39,639)		(19,642)	
Loans received	90,589		220,191	
Outflow for loan repayments	(170,377)		(135,010)	
Payment of fees for rights of use	(7,300)		(5,543)	
Cash flow from financing activities (C)	**(126,780)**		**59,779**	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(36,340)		72,797	
Opening balance	**228,906**		**190,728**	
Exchange differences	6,552		(3,452)	
Closing balance	**199,118**		**260,073**	