



PRESS RELEASE

REVIEW OF PRELIMINARY RESULTS TO 31 DECEMBER 2024 AND APPROVAL OF 2025 BUDGET

PIRELLI EXCEEDS 2024 TARGETS

REVENUES 6.77 BILLION EURO, ADJUSTED EBIT 1.06 BILLION WITH A MARGIN OF 15.7% AND CASH FLOW BEFORE DIVIDENDS OF +534 MILLION EURO

NET PROFIT 501 MILLION EURO

IN 2024 FURTHER IMPROVEMENT OF SUSTAINABILITY PERFORMANCES

Full-year 2024

- Revenues: 6,773.3 million euro (2024 target ~6.7 billion euro), +1.9% compared with 6,650.1 million euro in 2023, organic variation +4.4% excluding forex effect of -2.5%
- Price/Mix: +2.5% thanks to mix improvement (in line with target of around +2.5%)
- Adjusted Ebit: 1,060.5 million euro (~1,040 million euro implicit in profitability targets), +5.9% compared with 1,001.8 million euro in 2023. Improvement of price/mix and efficiencies more than offset the negative impact of raw materials and inflation
- Adjusted Ebit Margin 15.7% (target ~15.5%)
- Net profit: 501.1 million euro, an increase of 1.0% compared with 495.9 million euro in 2023
- Net cash flow before dividends: +533.9 million euro (+508.9 million euro in 2023) exceeding target of "between ~500 and ~520 million euro"
- Net Financial Position: -1,925.8 million euro on 31 December 2024 (-2,816.2 million euro on 30 September 2024 and -2,261.7 million on 31 December 2023) above target of ~-1.95 billion euro. Nfp/Adjusted Ebitda ratio ~1.27x (target ~1.32/~1.26x)
- Research and Development Spend: 289.5 million euro in 2024 (4.3% of total revenue), of which 272.8 million euro devoted to *High Value* (5.3% of *High Value* revenues)
- In 2024 further improvement in sustainability performance

Fourth Quarter 2024

- Revenues: 1,588.8 million euro, +6.6% compared with 1,489.9 million in fourth quarter 2023 (organic variation +2.3% excluding the positive forex effect of +4.3%)
- Price/Mix: +1.8% thanks to the product mix
- Adjusted Ebit: 244.6 million euro, an increase of 11.5% compared with 219.3 million euro in the fourth quarter of 2023. The positive effect of price/mix, efficiencies and exchange rates more than offset the negative impact of raw materials and inflation
- Adjusted Ebit Margin 15.4% (14.7% in fourth quarter 2023)

- Net profit: 130.0 million euro (an increase of 53.1% compared with 84.9 million euro in fourth quarter 2023) also thanks to the positive evolution of a fiscal dispute relative to prior years
- Net cash flow before dividends: +890.7 million euro (+876.6 million euro in 2023)

2025 TARGETS

PIRELLI CONFIRMS TARGETS FORESEEN IN INDUSTRIAL PLAN DESPITE THE HIGHER VOLATILITY OF THE EXTERNAL CONTEXT

- Revenues seen between ~6.8 and ~7.0 billion euro, Adjusted Ebit Margin at ~16%
- Net cash flow before dividends between ~0.55 and ~0.57 billion euro
- Net Financial Position ~1.6 billion euro at end 2025, with Nfp/Adjusted Ebitda ratio ~1 times

A plan to mitigate the impact of potential US tariffs is being prepared with the goal of guaranteeing cash generation and deleveraging targets and the lower end of Adjusted Ebit guidance

Milan, 26 February 2025 – The Board of Directors of Pirelli & C. Spa met today and approved preliminary, unaudited results to 31 December 2024 and the 2025 budget. The results obtained in 2024, which exceeded targets, confirm the efficacy of the business model and the implementation of strategic programs in a challenging external context.

In particular:

- **Commercial Program**

In 2024 there was a further strengthening of **High Value**, which represents 76% of total revenues. In Car $\geq 18''$, in particular, volumes grew +5% (market +4%), with an increase of market share in both the Replacement channel (Pirelli volumes +7% compared with market's +6%) and Original Equipment (Pirelli volumes +3% compared with market's +1%).

There was a further reduction in exposure to **Standard** (Pirelli Car $\leq 17''$ volumes -4% in a stable market), in line with the strategy of greater selectivity.

The above performance translates for Pirelli into **total growth in Car volumes in 2024** of +2%, compared with a market that grew by +1%.

- **Innovation Program**

In 2024 Pirelli obtained 306 new homologations with the main makers of Prestige and Premium cars, mainly focused on **rim sizes $\geq 19''$** and **Specialties**. In electric, Pirelli counts a portfolio of around 810 homologations at the global level and a market share of 30% among Premium EV producers. Further, homologations are continuing with the main Prestige car makers.

In terms of product innovation, the offering was reinforced with the launch of **7 Car products**, of which **2 at the global level** (PZero Winter 2 and PZero MS) and **5 at the regional level** (Cinturato All Season SF3, ICE Zero Asimmetrico, Powergy All Season and Winter in Europa, Scorpion MS in Apac.). In addition, the **Moto** offering has been broadened with the Scorpion Trail III and the Metzeler Roadtec 02, and in **Cycling** with the PZero Race TLR RS, P4 Sport and Cinturato Road. In September, the Company signed a strategic agreement with Bosch GmbH to develop new software-based driving solutions and functions, thanks to sensors implanted into the tyres and Pirelli proprietary software, with the goal of delivering useful information to the vehicle to continually improve safety and driving efficiency.

- **Operations Program**

In 2024, the Group registered **gross efficiencies** of 143.2 million euro, in line with expectations. At the industrial level, factory saturation reached around 86% (95% in High Value). Further, the

plant decarbonization program is continuing through use of renewable energy sources and energy efficiency programs.

In 2024 Pirelli saw growth in the main economic indicators.

Revenues totaled 6,773.3 million euro, an increase of 1.9% compared with 2023 and with organic growth of +4.4% (impact of -2.5% from forex and hyper-inflation Argentina and Turkiye). High Value represents 76% of total sales (75% in 2023).

In the **fourth quarter of 2024** revenues were 1,588.8 million euro, an increase of 6.6% compared with the same period in 2023. Organic revenue growth was +2.3% (impact of +4.3% from forex and hyper-inflation in Argentina and Turkiye).

(euro millions)	Revenue performance by quarter									
	1 QTR 2024	1 QTR 2023	2 QTR 2024	2 QTR 2023	3 QTR 2024	3 QTR 2023	4 QTR 2024	4 QTR 2023	YEAR 2024	YEAR 2023
Revenues	1,695.5	1,699.7	1,752.0	1,737.8	1,737.0	1,722.7	1,588.8	1,489.9	6,773.3	6,650.1
Variation y/y	-0.2%		+0.8%		+0.8%		+6.6%		+1.9%	
Organic variation y/y	+4.6%		+4.5%		+5.5%		+2.3%		+4.4%	

The performance of **total volumes** in 2024 was positive +1.9% because of the performance of High Value above that of the market and the progressive, gradual reduction of exposure to the Standard segment.

In the **fourth quarter of 2024 total volumes** registered growth of 0.5%. In Car, in particular, volumes were up +1% (in line with the market). There was a similar performance in **Car ≥18"** (Pirelli +1%, market +1%) with an increase of market share in the Replacement channel (+4% compared with the market's +3%) while in Original Equipment (-3% compared with market's -2%) Pirelli's performance discounts the weakness of car production in Europe and North America and the comparison with the performance of the fourth quarter of 2023 in China, when Pirelli posted strong sales growth thanks to new contracts with local Premium electric vehicle makers. In the **fourth quarter 2024**, there was a positive performance in **Car ≤17"** (Pirelli +1% in a stable market), where Pirelli benefitted from the recovery of demand in the Original Equipment channel in South America.

Revenue variants	1 QTR 2024	2 QTR 2024	3 QTR 2024	4 QTR 2024	2024 FULL-YR
Volumes	+2.3%	+1.2%	+3.0%	+0.5%	+1.9%
Price/Mix	+2.3%	+3.3%	+2.5%	+1.8%	+2.5%
Variation on like-for-like basis	+4.6%	+4.5%	+5.5%	+2.3%	+4.4%
Forex/Hyper-inflation in Argentina-Turkiye	-4.8%	-3.7%	-4.7%	+4.3%	-2.5%
Totale variation y/y	-0.2%	+0.8%	+0.8%	+6.6%	+1.9%

In 2024, **price/mix** registered an increase of +2.5% (in line with the 2024 target of "around +2.5%") mainly due to the improvement of the product mix thanks to the progressive transition from Standard to High Value and an improvement of the mix within both segments. In the **fourth quarter of 2024**, **price/mix** was +1.8%.

The effect of exchange rates in 2024 had a negative impact of -2.5% (better than the target of ~-4% / ~-3.5%) because of the volatility of currencies in emerging countries against the euro. In the **fourth quarter of 2024** the effect of forex was positive at +4.3% because of the favorable basis of comparison of the preceding year (-10.6% in the fourth quarter of 2023) and the appreciation of the dollar and emerging country currencies against the euro.

Profitability

Profitability (euro millions)	2024					2023
	1 QTR	2 QTR	3 QTR	4 QTR	TOTAL YEAR	TOTAL YEAR
Adjusted Ebitda % of sales	376.3 22.2%	392.0 22.4%	388.7 22.4%	362.5 22.8%	1,519.5 22.4%	1,446.1 21.7%
Ebitda % of sales	368.6 21.7%	384.1 21.9%	381.5 22.0%	341.5 21.5%	1,475.7 21.8%	1,366.3 20.5%
Adjusted Ebit % of sales	262.6 15.5%	276.5 15.8%	276.8 15.9%	244.6 15.4%	1,060.5 15.7%	1,001.8 15.1%
Ebit % of sales	226.5 13.4%	240.1 13.7%	241.2 13.9%	195.2 12.3%	903.0 13.3%	808.3 12.2%

Adjusted Ebitda in 2024 was 1,519.5 million euro, an increase of 5.1% compared with 1,446.1 million euro in 2023.

Adjusted Ebit in 2024 was 1,060.5 million euro (~1,040 million euro the figure implied in profitability target), an improvement of 58.7 million euro compared with 1,001.8 million euro in 2023, with an Adjusted Ebit Margin improving to 15.7% (15.1% in 2023) thanks to the contribution of internal levers. In detail, **Adjusted Ebit** mainly reflects:

- The **positive contribution of price/mix** (+110.0 million euro) and **efficiencies** (+143.2 million euro) which more than offset the **inflation of input costs** (-142.5 million euro), increase in the cost of **raw materials** (-23.7 million euro) and the **negativity of forex** (-24.6 million euro).
- The **positive effect of volumes** (+48.7 million euro) that limited the impact of greater depreciations and **amortizations** (-22.4 million euro) and **other costs** (-30.0 million euro), mainly linked to marketing and R&D activities.

In the **fourth quarter of 2024 adjusted Ebit** was 244.6 million euro, an increase of 11.5% compared with 219.3 million euro in the fourth quarter of 2023. The positive effect of the price/mix, efficiencies and exchange rates more than offset the negative impact stemming from raw materials and inflation. The **margin improved** to 15.4% (14.7% in fourth quarter 2023).

Ebit in 2024 was 903.0 million euro, an increase of 94.7 million euro compared with 808.3 million euro in 2023 and includes **amortization of intangible assets** identified in the context of PPA of 113.7 million euro (in line with 2023) and **one-off, non-recurring and restructuring charges and other** of -43.8 million euro (an improvement from -79.8 million euro in 2023).

The **result from equity holdings** was +31.4 million euro (+15.9 million in 2023).

Net financial charges in 2024 were 286.6 million euro, compared with 194.1 million euro in 2023 and reflect the negative impact of around 53 million euro linked to phenomena of currency devaluations and hyper-inflation, without impacting cash generation.

On 31 December 2024 the **cost of debt**, calculated as the average of the last 12 months, stood at 5.06%, little changed from 5.08% on 31 December 2023.

Fiscal charges in 2024 amounted to 146.7 million euro (134.2 million in 2023) and reflect a positive effect of 30 million euro mainly in the fourth quarter of the year relative to the positive evolution of some tax disputes from prior years. The 2024 tax rate was 22.6% compared with 21.3% in 2023 which included fiscal benefits from the Patent Box for the 3-year period 2020 – 2022 of around 40 million euro.

Net profit in 2024 was 501.1 million euro, an increase of 1.0% from 495.9 million euro in 2023.

In the **fourth quarter of 2024, net profit** was 130.0 million euro, an increase of 53.1% compared with 84.9 million euro in the fourth quarter of 2023 and reflects the lower fiscal charges mentioned above.

The **net cashflow before dividends** in 2024 was +533.9 million euro, an improvement of 25.0 million from +508.9 million in 2023 (an increase of around 58 million euro excluding the impact for a total of 33 million derived from the acquisition of Hevea-Tec (about 21 million euro) and the deposit (12 million euro) in the capital account of the Joint Venture in Saudi Arabia with PIF - Public Investment Fund).

The **net cash flow from operations** in 2024 was a positive 988.8 million euro (1,024.6 million euro in 2023). This variation reflects:

- Adjusted Ebitda, improved compared with the previous year;
- Tangible and intangible investments of 414.9 million euro in 2024 (405.7 million in 2023) earmarked mainly for High Value activities and the technological upgrade and automation in the factories;
- “increases in usage rights” of 118.8 million euro (101.2 million euro in 2023). The difference with 2023 is mainly due to projects activated in the third quarter of 2024 for efficiency enhancement of warehouses in Romania;
- a lower contribution to cash generation from the “variation in working capital and other” of 82.4 million euro (to +3.0 million euro compared with +85.4 million euro in 2024), because of the sudden appreciation of the dollar in the last weeks of the year and the adjustment of inventory levels, mainly in North America, to assure the right availability of goods in the first quarter of 2025 (the weight of group inventories was 21.7% annual revenues, in 2023 it was 20.6%), the usual seasonality of commercial credits (9.2% of year’s revenue) and commercial debt (30.7% of year’s revenue).

In the **fourth quarter of 2024**, the **net cash flow before dividends** was a positive 890.7 million euro, an improvement of 14.1 million euro compared with 876.6 million in the fourth quarter 2023.

The **Net Financial Position** on 31 December 2024 was -1,925.8 million euro (-2,816.2 million euro on 30 September 2024 and -2,261.7 million on 31 December 2023) better than the target of ~1.95 billion euro. The Nfp/Adjusted Ebitda ratio was ~1.27x (in the higher part of the target range of ~1.32/~1.26 times)

The **liquidity margin** on 31 December 2024 was 3,168.7 million euro and guarantees coverage of debt maturities with banks and other financiers until the third quarter of 2029.

In 2024, **Research & Development spend** was 289.5 million euro (4.3% of sales), of which 272.8 million for activities linked to *High Value* (5.3% of *High Value revenues*).

As already announced to the market, the results to 31 December 2024 and relative dividend distribution proposal will be reviewed by the Board of Directors meeting scheduled for **26 March 2025**. It should be noted that the 2024-2025 Industrial Plan calls for a **pay-out of around 50% of the 2024 consolidated net result**.

2025 TARGETS

(euro billions)	2024A	2025E
Revenues	6.77	~6.8÷~7.0
Adjusted Ebit Margin	15.7%	~16%
Investments <i>% of revenues</i>	0.42 <i>6.1%</i>	~0.42 ~6%
Net cash flow before dividends	0.53	~0.55÷~0.57
Net Financial Position <i>NFP / Adj. Ebitda</i>	-1.93 <i>1.27x</i>	~-1.6 ~1.0x
ROIC <i>post taxes</i>	23.2%	~23%

MARKET OUTLOOK

The global scenario for 2025 is evolving continuously and characterized by a growing risk at the geo-political level because of the commercial uncertainties linked to the potential introduction of tariffs, with its resulting impact on economic growth, inflation and consumption.

For 2025, the expected trend in **global Car tyre demand** is between **~-1%÷ ~+1%**. In Original Equipment a “*low-single digit*” decline is expected because of the weakness in car production in the EU and North America. In the Replacement channel, expectations are for Stability/slight growth.

Car ≥18” confirms its resilience, with expected “*mid-single digit*” demand compared with a “*low single digit*” fall in **Car ≤17”**.

2025 TARGETS

In light of 2024 results, Pirelli confirms the 2025 targets of the industrial plan despite the great volatility of the macro-economic context.

Pirelli expects to record a performance superior to the market's, especially in High Value, and continue to reduce its exposure to Standard.

In particular, it expects:

- **Revenues between ~6.8 and ~7.0 billion euro**, with:
 - **Volume growth expected between ~+1% and ~+2%**;
 - **price/mix improving between ~+2% / ~+3%** driven mainly by the product mix;
 - **forex impact between ~-2.5% / ~-1.5%**;
- **Adjusted Ebit Margin at ~16%**, thanks also to the strengthening of the efficiency plan, estimated in 2025 at **around 150 million euro** compared with the 135 million euro indicated in the industrial plan;
- **Net cash generation before dividends expected between ~550 and ~570 million euro**;
- **Investments of ~420 million euro** (~6% of revenues)
- **Net Financial Position at ~-1.6 billion euro** with a NFP/ Adjusted Ebitda ratio of ~1 time.

The targets do not include the impact of eventual US tariffs, considering the uncertainty around these measures and their timing.

Pirelli – in the event that tariffs are introduced – is defining a mitigation plan with the goal of guaranteeing the plan's targets for cash generation and deleveraging and the lower end of Adjusted Ebit guidance.

Sustainability performance further improved in 2024¹

In 2024 Pirelli further improved its sustainability performance.

The **Value Chain Decarbonization Plan** continued in line with targets. The Group's absolute CO₂ emissions were reduced by 22% compared with 2023 and by 57% compared with 2018 (near-term SBTi target for Scope 1+2² of -80% by 2030 compared with 2018). The absolute emissions of the supply chain were reduced by 26% compared with 2018 (near-term SBTi target for Scope 3² of -30% by 2030 compared with 2018). At the global level, 96% of the electricity procured from the network is certified from renewable sources (compared with 80% in 2023).

In 2024, further, the **Science Based Targets initiative (SBTi)** validated Pirelli's long-term targets for **Net Zero by 2040**, the most ambitious among tyre makers, that is the reduction of Scope 1, 2 e 3 absolute greenhouse gas emissions by at least 90% compared with the reference year 2018, in line with the Paris Agreement for the containing of global warming within 1.5°C.

The roadmap for **Product sustainability** continued.¹

To support emissions' reduction in the use phase (decarbonization of mobility and transportation) 34.5% if tyres (29.8% in 2023) released onto the market is in line with the highest classes (A or B) of European labeling both in terms of **rolling resistance** (environmental factor which indirectly impacts a car's CO₂ emissions) and **wet braking**, in line with Pirelli's target of 35% by 2025.

The commitment to **Research and Development of innovative, bio-based and recycled materials** was significant. At "The Tire Cologne 2024", Pirelli presented the **P Zero Winter 2**, with part of the range equipped with Elect technology produced with material that was more than 50% of bio-based and recycled³ (affirmation verified by third party in accord with ISO 14021). The version of P Zero Winter 2 made specifically for the BMW Series 7 also has the distinction – unique at the time of its market launch – of being the **first winter car tyre with a "Class A" rating for rolling resistance**.

In turn, the **PZERO E**, a summer tyre for UHP electric vehicles, as well as triple Class A in European labeling (rolling resistance, wet braking, noise reduction) and containing more than 55%³ natural origin and recycled materials (affirmation verified by third party in accord with ISO 14021), in 2024 reached in its 255/50R20 size, **58.5% natural origin and recycled materials³**.

At the Goodwood Festival of Speed 2024, Pirelli announced its **collaboration with Jaguar Land Rover (JLR) to supply tyres with FSC™ certified forest materials** for a wide range of luxury vehicles, an important step for the extensive use of certified natural rubber, after Pirelli's presentation in 2021 of the world's first road tyre containing FSC™ certified natural rubber and rayon. Other significant steps on this journey were the introduction of **tyres with FSC™ certified natural rubber in the Formula 1⁴ championship** beginning with the first GP of 2024 and the certification's debut also in the cycling world with the new **Pirelli P Zero Race RS⁴**. FSC™ certification for forest management confirms that the plantations are managed in such a way as to preserve biodiversity and benefit the people living and

¹ Performance and targets relative to Pirelli products refer to consumer tyres and therefore should be compared, where relevant, exclusively to consumer tyre targets and not to other tyre categories or consolidations of production segments.

² Scope 1: direct emissions of greenhouse effect gases from the direct combustion of fossil fuels by organizations within its perimeters. Scope 2: indirect emissions of greenhouse effect gases from the use of electricity, heat and steam imported and consumed by the organization within its perimeters. Scope 3: indirect emissions linked to upstream and downstream of industrial operations, calculated in accordance with the GHG Protocol and in line with SBTi requirements.

³ Thanks to a combination of physical separation and mass balance. In both the PZero Winter 2 elect and PZero E, the materials of natural origin are natural rubber, biochemical products and bio-resin and in the PZero E also lignin and textile reinforcements. The recycled materials in both the PZero Winter 2 and PZero E are metallic reinforcements and – through mass balance – synthetic rubber, silica and carbon black and in PZero E also biochemical products.

⁴ The natural rubber represents the following percentage of total tyre weight: about 15% in tyres for Formula 1; around 23% in the P Zero Race RS.

working in these. The process of certifying the Chain of Custody FSC™ verifies that FSC™ certified material is separated from uncertified material, from the plantation to the tyre manufacturer.

As contained in the Plan, Pirelli proceeded on the path that will bring its European factories to **use only FSC™ natural rubber by 2026**.

Pirelli's proactive commitment to protect **Biodiversity** in 2024 resulted in the definition of an Action Plan for Biodiversity to cover **55%** of its production sites and test tracks, in line with the target of covering 100% by 2025. These plans are based on the **impacts and dependences** of Pirelli locations evaluated based on the four fundamental criteria of the **TNFD LEAP framework (Locate, Evaluate, Assess, Prepare)**, and deal with the five main factors behind the loss of biodiversity and the degradation of ecosystems identified by **IPBES**⁵. The **reduction of the specific water withdrawal** was significant both at the Group level, registering a fall of **-11% from 2023** and reaching **-51% from 2015** (base year for the Group target), and in high water stress areas at where withdrawal has fallen by **5.5% compared with 2023** and of **-34.6% compared with 2015** (base year for targets for high water stress areas).

Further, in 2024, for **100%** of new products **biodiversity was integrated** into the analysis of impacts of the products life cycle (**LCA-Life cycle assessment**).

In 2024 Pirelli also confirmed its commitment to **the engagement and development of its people**, registering a **rate of engagement of 83%** (Global Sustainable Engagement Index), beating the target of maintaining this rate always **≥80%**. The company's attention to ensuring **health and safety** led to a further fall in the **accident frequency index**, which in 2024 **fell by 16.6%** compared to 2023. The presence of **women in managerial positions** increased at the global level, touching **28.3%** in 2024 (27% in 2023).

Pirelli's sustainability performance was also recognized in 2024 by the leading **Indices of sustainable finance**. Following the annual revision of the **Dow Jones Sustainability** indices by S&P Global, the Company obtained **Top Score** in the **Auto Components and Automotive segments at the global level**, followed -at the start of this year - by the maximum recognition of **"Top 1%"** in the **S&P Sustainability Yearbook 2025**. Pirelli was also reconfirmed a Leader in the fight against climate change achieving a position in the **CDP "Climate A list"**, as well as having obtained **Top score Tyre industry** and **Negligible risk** in the assessment of **Sustainalytics**, **Top score Auto Components** and **Prime Status** in the assessment of **ISS ESG**, and the attribution **Platinum** by **Ecovadis**.

Conference call

The results to 31 December 2024 will be illustrated today, 26 February 2025 at 6.30 pm in a conference call with the participation of the **Executive Vice Chairman** of Pirelli, **Marco Tronchetti Provera, Ceo, Andrea Casaluci**, and top management. Journalists will be able to follow the presentation without the option of asking questions, at **+39 02 802 09 27**. The presentation will also be webcast in real time at www.pirelli.com in the Investors section, where the slides will also be available.

The manager tasked with the preparation of the accounting documents of Pirelli & C. S.p.A., Mr. Fabio Bocchio, declares in accordance with paragraph 2 of articolo 154 bis of the Testo Unico della Finanza that the accounting information contained in this press release corresponds to the results in accounting documents, book and scripts.

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⁵ Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services

Pirelli – Preliminary economic, equity and financial data as of 31 December 2024

<i>(in millions of euro)</i>	2024	2023
Net sales	6.773,3	6.650,1
EBITDA adjusted (*)	1.519,5	1.446,1
% of net sales	22,4%	21,7%
EBITDA	1.475,7	1.366,3
% of net sales	21,8%	20,5%
EBIT adjusted (*)	1.060,5	1.001,8
% of net sales	15,7%	15,1%
EBIT	903,0	808,3
% of net sales	13,3%	12,2%
Net income/(loss) from equity investments	31,4	15,9
Financial income/(expenses)	(286,6)	(194,1)
Net income/(loss) before taxes	647,8	630,1
Taxes	(146,7)	(134,2)
Tax rate %	22,6%	21,3%
Net income/(loss)	501,1	495,9
Earnings/(loss) per share (in euro per basic share)	0,47	0,48
Net income/(loss) adjusted	613,5	595,4
Net financial (liquidity)/debt position	1.925,8	2.261,7
Operating net cash flow	988,8	1.024,6
Net cash flow before dividends paid by the Parent Company	533,9	508,9
Net cash flow	335,9	290,9
Investments in tangible and intangible assets (CapEx)	414,9	405,7
Increases in rights of use	118,8	101,2
Research and development expenses	289,5	288,5
% of net sales	4,3%	4,3%
Research and development expenses - High Value	272,8	269,4
% of High Value net sales	5,3%	5,4%
Employees (headcount at end of period)	31.219	31.072
Industrial sites (number)	18	18
(*) The adjustments refer to one-off, non-recurring and restructuring expenses to the amount of euro 43.8 million (euro 79.8 million for 2023). With reference to EBIT only, amortization of intangible assets recognised as a consequence of Business Combinations amounting to euro 113.7 millions (113.7 millions in 2023).		

ALTERNATIVE PERFORMANCE INDICATORS

This document, in addition to the financial measures provided for by the International Financial Reporting Standards (IFRS), also includes measures derived from the latter, even though not provided for by the IFRS (Non-GAAP Measures), in compliance with the ESMA Guidelines on Alternative Performance Indicators (ESMA/2015/1415 Guidelines) published on October 5, 2015. These measures are presented in order to allow for a better assessment of the results of the Group's operations, and should not be considered as alternatives to those required by the IFRS.

Specifically, the Non-GAAP Measures used were as follows:

- **EBITDA**: equal to the EBIT but excludes the depreciation and amortisation of property, plant and equipment and intangible assets. The EBITDA is used to measure the ability to generate earnings, excluding the impacts deriving from investments;
- **EBITDA adjusted**: an alternative measure to the EBITDA which excludes non-recurring, restructuring and one-off expenses;
- **EBITDA margin**: calculated by dividing the EBITDA by revenues from sales and services. This measure is used to evaluate operating efficiency, excluding the impacts deriving from investments;
- **EBITDA margin adjusted**: calculated by dividing the EBITDA adjusted by revenues from sales and services. This measure is used to evaluate operating efficiency, excluding the impacts deriving from investments and the operating costs attributable to non-recurring, restructuring and one-off expenses.

- **EBIT:** an intermediate measure which is derived from the net income/(loss), but which excludes taxes, financial income and financial expenses and the net income/(loss) from equity investments. The EBIT is used to measure the ability to generate earnings, including the impacts deriving from investments;
- **EBIT adjusted:** an alternative measure to the EBIT which excludes the amortisation of intangible assets relative to assets recognised as a consequence of Business Combinations and the operating costs attributable to non-recurring, restructuring and one-off expenses;
- **EBIT margin:** calculated by dividing the EBIT by revenues from sales and services. This measure is used to evaluate operating efficiency;
- **EBIT margin adjusted:** calculated by dividing the EBIT adjusted by revenues from sales and services. This measure is used to evaluate operating efficiency, excluding the amortisation of intangible assets relative to assets recognised as a consequence of Business Combinations and the operating costs attributable to non-recurring, restructuring and one-off expenses;
- **Net income/(loss) adjusted:** calculated by excluding the following items from the net income/(loss):
 - o the amortisation of intangible assets relative to assets recognised as a consequence of Business Combinations and the operating costs attributable to non-recurring, restructuring and one-off expenses;
 - o non-recurring expenses/income recognised under financial income and expenses;
 - o non-recurring expenses/income recognised under taxes, as well as the tax impact relative to the adjustments referred to in the previous points;
- **Fixed assets:** this measure is constituted by the sum of the Financial Statement items, *“Property, plant and equipment”*, *“Intangible assets”*, *“Investments in associates and joint ventures”*, *“Other financial assets at fair value through other Comprehensive Income”* and *“Other non-current financial assets at fair value through the Income Statement”*. Fixed assets represent the non-current assets included in the net invested capital;
- **Net operating working capital:** this measure is constituted by the sum of *“Inventory”*, *“Trade receivables”* and *“Trade payables”*;
- **Net working capital:** this measure is constituted by the net operating working capital and by other receivables and payables, including tax receivables and payables, and by the derivative financial instruments not included in the net financial position. This measure represents the short-term assets and liabilities included in the net invested capital, and is used to measure short-term financial stability;
- **Net invested capital:** this measure is constituted by the sum of (i) fixed assets, and (ii) net working capital. Net invested capital is used to represent the investment of financial resources;
- **Provisions:** this measure is constituted by the sum of *“Provisions for liabilities and charges (current and non-current)”*, *“Provisions for employee benefit obligations (current and non-current)”*, *“Other non-current assets”*, *“Deferred tax liabilities”* and *“Deferred tax assets”*;
- **Net financial debt:** calculated pursuant to the CONSOB Notice dated July 28, 2006 and in compliance with the ESMA Guidelines regarding disclosure requirements pursuant to the Prospectus Regulation applicable as of May 5, 2021. Net financial debt represents borrowings from banks and other financial institutions net of cash and cash equivalents, of other current financial assets at fair value through the Income Statement, of current financial receivables (included in the Financial Statements under *“Other receivables”*), and of the derivative hedging instruments for items included in the net financial position and included in the Financial Statements under *“Derivative financial instruments”* as current assets, current liabilities and non-current liabilities;
- **Net Financial Position:** this measure represents the net financial debt less the non-current financial receivables (included in the Financial Statements under *“Other receivables”*) and the non-current derivative financial hedging instruments for items included in the net financial position and included in the Financial Statements under *“Derivative financial instruments”* as non-current assets. The net financial position is an alternative measure to net financial debt but which includes non-current financial assets;
- **Liquidity margin:** this measure is constituted by the sum of the Financial Statement items, *“Cash and cash equivalents”*, *“Other financial assets at fair value through the Income Statement”* and the committed but unutilised credit facilities;
- **Operating net cash flow:** calculated as the change in the net financial position relative to operations management;
- **Net cash flow before dividends, extraordinary transactions and investments:** is calculated by adding the change in the net financial position due to financial and tax management, to the operating net cash flow;
- **Net cash flow before dividends paid by the Parent company:** calculated by adding the change in the net financial position due to extraordinary transactions and the management of investments, to the net cash flow before dividends, extraordinary transactions and investments;
- **Net cash flow:** calculated by subtracting the dividends paid by the Parent company from the net cash flow before dividends paid by the Parent company;
- **Investments in intangible and owned tangible assets (CapEx):** calculated as the sum of investments (increases) in intangible assets and investments (increases) in property, plant and equipment excluding any increases relative to the right of use;
- **Increases in the right of use:** calculated as the increases in the right of use relative to lease contracts;
- **ROIC:** calculated as the ratio between the EBIT adjusted net of tax effects and the average net invested capital net of provisions which does not include, *“Investments in associates and joint ventures”*, *“Other financial assets at fair value through Other Comprehensive Income”*, *“Other non-current financial assets at fair value through the Income Statement”*, *“Other non-current assets”*, the intangible assets relative to assets recognised as a consequence of Business Combinations, the deferred tax liabilities relative to the latter and the *“Provisions for employee benefit obligations, current and non-current”*.