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Testo del comunicato

Vedi allegato

PRESS RELEASE

THE BOARD OF PIRELLI MAJORITY APPROVES CONSOLIDATED RESULTS TO 30 JUNE 2025

PIRELLI: REVENUES GREW IN THE SEMESTER, ADJUSTED EBIT MARGIN ROSE TO 16%, NET PROFIT +14.1% TO 264 MILLION EURO

IN THE SECOND QUARTER ADJUSTED EBIT MARGIN GREW TO 16% DESPITE FOREX VOLATILITY AND TARIFF IMPACT

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First Half 2025

- Revenues: 3,498.6 million euro, with organic growth of 4.4% excluding forex impact (-2.9%), +1.5% compared with 3,447.5 million euro in first half 2024;

- Further strengthening in High Value (80% of sales, 77% in first half 2024)

- Price/Mix: +3.9% thanks in particular to the continual improvement of both the product and region mix;

- Adjusted Ebit: +3.6% to 558.3 million euro (539.1 million euro in first half 2024) thanks to the effectiveness of internal levers;

- Adjusted Ebit margin rose to 16% (15.6% in first half 2024);

- Net profit: +14.1% to 264.0 million euro (231.3 million euro in first half 2024):

- Net cash flow before dividends: -503.7 million euro, an improvement compared with -519.2 million euro in first half 2024;

- Net financial position: -2,678.7 million euro (-2,978.0 million euro on 30 June 2024 and -1,925.8 million on 31 December 2024)

Second quarter 2025

- Revenues: 1,740.0 million euro, with organic growth of 4% excluding forex effect (-4.7%), -0.7% compared with 1,752.0 million euro in second quarter 2024;

- Price/Mix: +3.9% thanks above all to improved product mix;

- Adjusted Ebit: 278.5 million euro, +0.7% compared with 276.5 million euro in second quarter 2024 thanks to the contribution of internal levers;

- Adjusted Ebit margin rose to 16% (15.8% in second quarter 2024);

- Net profit: +4.5% at 136.8 million euro (130.9 million euro in second quarter 2024);

- Net cash flow before dividends: +193.0 million euro, +149.6 million excluding the impact of the Däckia disposal (+154.2 million euro in second quarter 2024);

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2025 TARGETS

- **2025 revenues expected at ~6.7 and ~6.8 billion (previous indication ~6.8 and ~7.0 billion euro), because of the worsening of the forex scenario. Price/Mix revised upwards**

- **Adjusted Ebit margin target confirmed at 16% and cash generation at ~550 million euro**

- **Deleveraging target confirmed at around 1-time Net Debt / Adjusted Ebitda, with e Net Financial Position at ~1.6 billion euro**

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Milan, 31 July 2025 – The Board of Directors of Pirelli & C. Spa met today and majority approved results to 30 June 2025 with the favourable vote of 9 out of 15 board members. Votes against were those of Chairman Jiao Jian and Board members Chen Aihua, Zhang Haitao, Chen Qian and Fan Xiaohua, while Grace Tang abstained.

The motivation of the board members who voted against the half-year financial report was solely linked - in continuation with that which was done when the 2024 results were approved - to the declaration of the cessation of Sinochem's control over Pirelli contained in the section of significant events during the semester of the report.

The 2025 first half results underscore a solid operating performance, despite the challenging context, confirming the effectiveness of the business model and key programs of the Industrial Plan.
In particular:

- **Commercial Program**
  The first half of 2025 saw further strengthening in High Value. In Car ≥18" volume growth was +5% (market +4%), with a reinforcement of the share both in the Replacement channel (Pirelli volumes +6% compared with market's +5%) and in Original Equipment (Pirelli volumes +4% compared with market's +3%) thanks to the strengthening of partnerships with the main car makers in North America and Apac.
  There was a further reduction of exposure to **Standard** (Pirelli Car ≤17" volumes -9% compared with a stable market), in line with the strategy of greater selectivity, particularly marked in South America, to focus on more profitable products and channels.

The performance described above translates into **substantially stable Car volumes** on an annual basis, compared with slight growth (+1%) of the market.

- **Innovation Program**
  In the first half of 2025 the company obtained around 110 new homologations with the main Prestige and Premium car makers, mainly concentrated in **≥19" rim sizes** and **Specialties.**
  Leadership in OE marked tyres was further consolidated: in Europe, for example, Pirelli can count on a portfolio of 1,300 homologations in Car ≥19", around 3 times greater than the average of competitors.
  In terms of **product innovation**, the offering was reinforced with the launch of **four Car products (**the fifth edition of the P Zero at the global level, the sector's UHP tyre of reference, developed with Artificial Intelligence and virtualization; the new generation of the Cinturato – a summer tyre for the European market; Scorpion XTM All Terrain for North America; Cinturato P6 for the Apac market), **two for Moto** (Diablo Powercruiser and Scorpion MX32 Mid Soft, available in all regions) and **four for Cycling** (Cinturato EVO and P Zero Race for the Road segment; Scorpion XC M and Scorpion XC RC for the mountain bike segment).
  In addition, the strategic partnership with Bosch GmbH continues for the development of new software-based solutions and new driving functionalities, thanks to sensors embedded in the tyres and Pirelli's proprietary software. The collaboration also continues with Movyon, a company of the Autostrade per l'Italia group, for the monitoring of road surfaces. This was added to by the cooperation with the Regione Puglia, announced on 10 June, to launch a monitoring system for the regional road network with the aim of creating a map of the "state of health" of Puglia's roads.

- **Operations Program**
  In the first half of 2025 the company achieved gross efficiencies of 69.7 million euro, in line with expectations and the program's development schedule. Looking at the Supply Chain, projects are continuing aimed at making the supply chain always more integrated, sustainable and oriented to customer needs.

In the first half of 2025 Pirelli posted growth in the main economic indicators.

Revenues were 3,498.6 million euro, growing 1.5% compared with the first half of 2024 and with organic growth of +4.4% (impact of forex and hyper-inflation in Argentina and Turkiye -2.9%). **High Value** represented 80% of total sales (77% in first half 2024).

In the **second quarter of 2025** revenues were 1,740.0 million euro, -0.7% compared with the same period of 2024. Organic revenues growth was +4.0% (-4.7% impact of forex and hyper-inflation in Argentina and Turkiye).

Revenue variants	1 QTR 2025	2 QTR 2025	1H 2025
Volumes	+0.8%	+0.1%	+0.5%
Price/Mix	+3.9%	+3.9%	+3.9%
Variation on like-for-like basis	**+4.7%**	**+4.0%**	**+4.4%**
Forex/Argentine-Turkiye hyper-inflation	-1.0%	-4.7%	-2.9%
Total variations	**+3.7%**	**-0.7%**	**+1.5%**

In the **first half of 2025** the **volumes' performance** was +0.5%, the sum of the opposing dynamics of High Value and Standard. In particular in Car ≥18'', Pirelli outperformed the market, gaining share in both channels (Original Equipment and Replacement), while in Car ≤17'' the strategy of reducing exposure to less profitable products and channels continued.

In the **second quarter of 2025 volumes were** substantially stable (+0.1%), as a consequence of growth in High Value (+5% growth in Car ≥18'', in line with the trend recorded in the first quarter) and the already mentioned strategy of reducing Standard (-11% the decline in Car ≤17'' in the second quarter, -7% in the first quarter).

In the **first half of 2025** the **price/mix** registered an increase of +3.9% thanks to the ongoing improvement of the product and region mix, while the channel mix was slightly negative because of greater growth in Original Equipment.

In the **second quarter of 2025** the **price/mix** was +3.9% (in line with the first quarter) thanks above all to the improved mix due to greater exposure to High Value.

Forex had **a negative impact of -2.9%** in the first half of 2025 because of the weakness of the dollar and the volatility of emerging country currencies against the euro, a dynamic which was accentuated **in the second quarter 2025** (forex impact -4.7% compared with -1% in the first quarter).

Profitability

Profitability *(euro millions)*	30/06/2025	% of revenues	30/06/2024	% of revenues	Variation y/y
Adjusted Ebitda	**792.9**	**22.7%**	**768.3**	**22.3%**	**+3.2%**
Ebitda	771.1	22.0%	752.7	21.8%	+2.4%
Ebit Adjusted	**558.3**	**16.0%**	**539.1**	**15.6%**	**+3.6%**
Ebit	479.6	13.7%	466.6	13.5%	+2.8%

In the first half of 2025 Adjusted Ebitda was 792.9 million euro, an increase of +3.2% compared with 768.3 million euro in the same period of 2024.
Adjusted Ebit in the first half of 2025 was 558.3 million euro, an improvement 19.2 million euro compared with 539.1 million euro in the same period of 2024, with an adjusted Ebit margin improving to 16.0% (15.6% in first half 2024) thanks to the contribution of internal levers that more than offset forex volatility, raw materials' cost increases and inflation as well as the impact of tariffs in USA applied from 3 May.
In particular, **Adjusted Ebit** mainly reflects:

- The **positive contribution of price/mix** (+93.9 million euro) more than offset the increase in the cost of **raw materials** (-51.3 million euro) and the **negativity of forex** (-18.6 million euro);
- the **positive effect of efficiencies** (+69.7 million euro) that more than compensated for the **inflation of input costs** (-62.1 million euro);
- the **positive contribution of volumes** (+6.2 million euro) that limited the impact of **amortizations** (-14.6 million euro) and **other costs** (-4.0 million euro)

Beginning from 3 May, US tariffs of 25% on imports of Car tyres from Europe and Brazil came into effect. In addition, universal tariffs are in force that impact the import of moto and cycling tyres, with different percentages depending the Country of the production source. The net impact of tariffs on Adjusted Ebit was contained to 6 million euro thanks to the activation of the mitigation plan without which the total impact would have been 15 million euro.

In the **second quarter of 2025 Adjusted Ebit** was 278.5 million euro (+0.7% compared with 276.5 million euro in the second quarter of 2024, with the **margin improving** to 16.0% (15.8% in the second quarter of 2024). The **price/mix** (+51.6 million euro) compensated for the impact of **raw materials** (-29.1 million euro) and **forex** (-23.0 million euro). The positive effect of **efficiencies** (+44.7 million euro) more than offset the impact of **inflation** (-37.6 million euro). The contribution of **volumes** was limited (+0.5 million euro), while **amortizations** increased by 6.3 million euro. **Other costs** were positive +1.2 million euro and include the net impact of tariffs (-6 million euro) and lower costs (+7 million euro) mainly linked to R&D and marketing.

In the first half of 2025 **Ebit** was 479.6 million euro, an increase of 13.0 million euro compared with 466.6 million euro in the first half of 2024 and includes **amortizations of intangible assets** identified in the context of PPA of 56.9 million euro (in line with the first half of 2024) and **one-off, non-recurring and restructuring charges and other** of 21.8 million euro.

The **result from equity investments** in the semester was +16.0 million euro (+15.9 million euro in the first half of 2024).

Net financial charges in the first half of 2025 were 122.7 million euro, a marked improvement compared with 176.1 million euro in the first half of 2024. These values include the negativity linked to the phenomena of currency devaluation and hyper-inflation, without impact on cash generation, which went from 68.7 million euro in the first half of 2024 to 9.2 million euro in the first half of 2025.

On 30 June 2025 the **cost of debt**, calculated as the average of the last 12 months, stood at 4.88% (5.06% on 31 December 2024).

Fiscal charges in the first half of 2025 amounted to 108.9 million euro compared with 75.1 million euro in the first half of 2024, which benefitted from the Patent Box and the positive resolution of fiscal disputes.

The first half of 2025 saw an increase in **net profit** of 14.1% to 264.0 million euro, compared with 231.3 million euro in the first half of 2024.

In the **second quarter of 2025** net profit grew by 4.5% to 136.8 million euro (130.9 million euro in the second quarter of 2024).

The **net cash flow before dividends** in the first half of 2025 was -503.7 million euro, an improvement of 15.5 million euro compared with -519.2 million euro in the first half of 2024 and reflects the usual seasonality of the business and working capital, as well as the effect of extraordinary operations. In particular:

- +43.4 million euro relative to the disposal of Däckia AB to CTS concluded on 18 June 2025;
- -19.1 million euro, mainly referred to payment into the capital account of the joint venture with Public Investment Fund (PIF) in Saudi Arabia.

The **net cash flow from operations** in the first half 2025 of -217.0 million euro, an improvement of 62.4 million euro compared with -279.4 million euro in the first half of 2024, and reflects:

- Adjusted Ebitda, improved from the prior year;
- Tangible and intangible investments of 128.0 million euro in the first half of 2025 (143.6 million in the first half of 2024) earmarked mainly for High Value activities, technological upgrade and factory automation;
- an “increase of rights of use” linked to new leasing contracts of 71.6 million euro (41.4 million euro in the first half of 2024). In the first half of 2025 several projects were realized, including the inauguration of the new warehouse in Campinas and the efficiency enhancement of warehouses in Romania;
- a lower absorption of cash linked to “functional capital and other” of 52.4 million euro (-810.3 million euro in the first half of 2025 from -862.7 million euro in the first half of 2024), thanks to the careful management of inventory (21.2% its weight against revenues over the last 12 months), in line with the figure in the first half of 2024 and in decline compared with the first quarter of 2025 (22.0%).

In the **second quarter of 2025**, the **net cash flow before dividends** was a positive 193.0 million euro (substantially in line with the 154.2 million euro in the second quarter of 2024 excluding the positive effect linked to the disposal of Däckia)

The **net financial position on 30 June 2025** was -2,678.7 million euro (-2,978.0 million euro on 30 June 2024 and -1,925.8 million euro on 31 December 2024).

The liquidity margin on 30 June 2025 was 2,430.5 million euro and guarantees the coverage of debt maturities with banks and other financiers until the fourth quarter of 2028.

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2025 TARGETS

(euro billions)	2024A	2025E
Revenues	6.77	~6.7÷~6.8
Adjusted Ebit Margin	15.7%	~16%
Investments *% of revenues*	0.42 *6.1%*	~0.42 *~6%*
Net cash flow before dividends	0.53	~0.55
Net financial position *NFP/ Adj. Ebitda*	-1.93 *1.27x*	~-1.6 *~1.0x*
ROIC *post taxes*	23.2%	~23%

Market outlook

Pirelli confirms forecasts – already announced in May – of a Car tyre market that is substantially flat (~-1% ÷ +1%), with a more resilient High Value segment, driven by the replacement channel, and with Standard expected to decline. In any case, the uncertainties of the economic scenario could translate into a slowing of demand compared with estimates.

Usa tariffs

The United States of America generates over 20% of group revenues and around 5% of the country's demand is satisfied locally, in Georgia, thanks to a factory with the highest level of automation of all the group's factories, with 55% covered by imports from Mexico and the remaining 40% from Brazil and Europe.
The tariff scenario is still being defined: an agreement, whose ratification is expected on August 1, was reached between Europe and the USA on July 27, while regarding Brazil Pirelli is analyzing the provision relating to tariffs announced on July 30 to verify their actual application to the various product segments.
Based on the laws that are today in force, the tariff scenario is the following:

- **Europe**: 25% on imports of Car tyres from May 3 to July 31, expected at 15% from August 1;
- **Brazil**: 25% on imports of Car tyres from May 3, the provision announced by the USA on July 30 is being analyzed;
- **Mexico**: no tariffs on imports in that Pirelli is a "USMCA compliant" producer;
- Universal and reciprocal tariffs on imports of moto and bicycle tyres from all countries with different percentages depending on the source.

Pirelli – based on this scenario – has already implemented a mitigation plan, acting on a revision of logistical flows, optimizing of inventories, adjusting commercial policies and a program of cost cuts in addition to the efficiency plan already underway.

2025 TARGETS

Based on the results of the first half, Pirelli confirms – notwithstanding the worsening of the forex scenario compared with expectations in May and the uncertainty surrounding tariffs – the profitability and cash targets thanks to solid organic growth and the effectiveness of the tariff mitigation plan.

For 2025 Pirelli forecasts:

- **Revenues between ~6.7 and ~6.8 billion euro** (previous estimate ~6.8 and ~7.0 billion), with organic growth confirmed at greater than or equal to 4%. The forex scenario worsens, while there is, instead, a continuous improvement in the price/mix. In detail:
  - **Volumes' growth of ~+1%** (previous estimate ~+1% and ~+2%);

- **price/mix further improving between ~+3% /~+3.5%** (previous estimate ~+2% / ~+3%);
- **forex impact between ~-4.5% / ~-4.0%** (previous estimate ~-2,5% / ~-1,5%);

- **Adjusted Ebit margin confirmed on an annual basis, with an Adjusted Ebit margin** of ~16%, with an improvement of the price/mix and the contribution of the mitigation plan reducing the impact of tariffs and the greater negativity of forex.
- **Net cash generation before dividends confirmed at ~550 million euro**, in line with the lower end of the range (initial estimate ~550 and ~570 million euro) as already anticipated in May in the event that tariffs are applied all year;
- **Investments confirmed** at**~420 million euro** (~6% of revenues);
- **NFP/Adjusted Ebitda ratio confirmed** at ~1 times with a **Net Financial Positions** of ~-1.6 billion euro

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Progress of Sustainability Plan

On the sustainability front, there has been significant progress towards the goals of the Plan in the areas of People, Climate, Product and Nature.

In the **People** program, wherein health and safety are among the fundamental pillars, the **accident frequency index** at the end of the semester further **improved, decreasing by 3%** compared with the values of 2024 year end.

In the **Climate** program, the Decarbonization plan continues in line with expectations, thanks to energy efficiency projects, the electrification of machinery in the factories and the procurement of electricity from renewable sources. The end of the first consolidates **a reduction of Scope 1 and 2 absolute emissions by 16.5%** compared with the first half of the prior year. The reduction of **absolute Scope 3 emissions** (supply chain) continues **in line with the 2025 target (-27% compared with 2018).**

The roadmap of the **Product** program saw the launch, in July, of the first tyre destined for the global market **with over 70% bio-based and recycled materials**, including **FSC™ certified** (Forest Stewardship Council™)[1] natural rubber. The tyre is distinguished by the FSC™ marking and by a logo that identifies Pirelli tyres with at least 50% bio-based and recycled materials, including "bio-based & circular" **ISCC+ certified materials**, with third party verification in line with the **ISO 14021 standard** at the launch of production. Developed for **Jaguar Land Rover (JLR)**, this Pirelli P Zero will initially be available on selected 22-inch wheel options for Range Rover, beginning from autumn this year, as part of JLR's aim to roll out tyres with reduced environmental impact across its luxury vehicles.

In the **Nature** Program, the **group specific water** withdrawal was further reduced by **7.2%** compared with 2024 year end level.

In the first half, Pirelli garnered important international recognitions that confirm its global ESG[2] leadership, in line with the prior year.
In particular, Pirelli was re-confirmed:

- **"Top 1%" in S&P Global's Sustainability Yearbook**, the only tyre maker to obtain the maximum recognition at the global level;
- In **CDP Climate A list of the**, as a global leader in the right against climate change;
- In the CDP **Supplier Engagement Assessment A List**, as a global Leader in the engagement of its supply chain for scope 3 emissions reduction
- **"Platinum"** from **Ecovadis,** maximum award in the relative ESG assessment.

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[1] FSC™ is an international, non-governmental, independent, and non-profit organization, established in 1993 to promote the responsible management of forests. license number: FSC™ N003618. Natural rubber accounts for approximately 25% of the total weight of the tyre (IP code 35837, P Zero (LR) PNCS, size 285/45 R22).
[2] ESG: Environmental, Social, Governance

Significant events after 30 June 2025

For significant events after 30 June 2025, refer to the dedicated section in the first half financial report on the company website www.pirelli.com.

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The financial report to 30 June 2025 will be available to the public tomorrow, 1 August 2025, at the Company's legal headquarters, as well as being published on the Company website (www.pirelli.com) and eMarket Storage (www.emarketstorage.com).

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Bond issues

In compliance with the indications of Borsa Italiana, the company states that in December 2025 an equity-linked bond issue of 500 million euro denominated "*EUR 500 million Senior Unsecured Guaranteed Equity-linked Bonds due 2025*" is maturing.

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Conference call

The results to 30 June 2025 will be illustrated today, 31 July 2025, at 6.30 pm in a conference call with the participation of the **Executive Vice Chairman** of Pirelli, **Marco Tronchetti Provera**, the **Ceo**, **Andrea Casaluci**, and top management. Journalists will be able to follow the presentation by telephone, without the option of asking questions, at **+39 02 802 09 27.** The presentation will also be webcast live on the website www.pirelli.com in the Investors section, where it will be possible to consult the slides.

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The Manager Designated for the preparation of the company accounting documents of Pirelli & C. S.p.A., Mr. Fabio Bocchio, declares in accordance with paragraph 2 of article 154 bis of the Testo Unico della Finanza that the accounting information contained in this press release corresponds to the documentary results, accounting books and scripts.

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Pirelli – Economic data to 30 June 2025

(in millions of euro)	**1 HY 2025**	**1 HY 2024**
Net sales	**3,498.6**	**3,447.5**
EBITDA adjusted (°)	**792.9**	**768.3**
% of net sales	22.7%	22.3%
EBITDA	**771.1**	**752.7**
% of net sales	22.0%	21.8%
EBIT adjusted	**558.3**	**539.1**
% of net sales	16.0%	15.6%
Adjustments: - amortisation of intangible assets included in PPA	(56.9)	(56.9)
- one-off, non-recurring and restructuring expenses	(21.8)	(15.6)
EBIT	**479.6**	**466.6**
% of net sales	13.7%	13.5%
Net income/(loss) from equity investments	16.0	15.9
Financial income/(expenses)	(122.7)	(176.1)
Net income/(loss) before taxes	**372.9**	**306.4**
Taxes	(108.9)	(75.1)
Tax rate %	29.2%	24.5%
Net income/(loss)	**264.0**	**231.3**
Net income/(loss) attributable to owners of the Parent Company	246.5	215.6
Earnings/(loss) per share (in euro per basic share)	0.25	0.22
Net income/(loss) adjusted	320.2	283.0

(°) The adjustments refer to one-off, non-recurring and restructuring expenses to the amount of euro 21.8 million (euro 15.6 million for the first half-year of 2024).

Pirelli – Balance sheet to 30 June 2025

(in millions of euro)		**06/30/2025**	**12/31/2024**	**06/30/2024**
Fixed assets		**8,571.9**	**8,771.6**	**8,748.0**
	Inventories	1,445.5	1,467.7	1,417.7
	Trade receivables	896.5	622.9	937.3
	Trade payables	(1,573.7)	(2,081.6)	(1,499.1)
Operating net working capital		**768.3**	**9.0**	**855.9**
% of net sales (*)		11.3%	0.1%	12.9%
	Other receivables/other payables	10.4	42.2	114.6
Net working capital		**778.7**	**51.2**	**970.5**
% of net sales (*)		11.4%	0.8%	14.6%
Net invested capital		**9,350.6**	**8,822.8**	**9,718.5**
Equity		**5,702.9**	**5,912.3**	**5,713.3**
Provisions		969.0	984.7	1,027.2
Net financial (liquidity)/debt position		**2,678.7**	**1,925.8**	**2,978.0**
Equity attributable to owners of the Parent Company		5,542.2	5,756.1	5,572.1
Investments in intangible and owned tangible assets (CapEx)		128.0	414.9	143.6
Increases in right of use		71.6	118.8	41.4
Research and development expenses		152.4	289.5	148.2
% of net sales		4.4%	4.3%	4.3%
Research and development expenses - High Value		145.9	272.8	139.2
% of High Value sales		5.2%	5.3%	5.2%
Employees (headcount at end of period)		30,820	31,219	31,284
Tyre production sites (number)		18	18	18

(*) During interim periods net sales refer to the last twelve months.

Financial statement

(in millions of euro)	1 Q		2 Q		1 HY	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
EBIT adjusted	279.8	262.6	278.5	276.5	558.3	539.1
Amortisation and depreciation (excluding PPA amortisation)	119.2	113.7	115.4	115.5	234.6	229.2
Investments in intangible and owned tangible assets (CapEx)	(60.0)	(53.4)	(68.0)	(90.2)	(128.0)	(143.6)
Increases in right of use	(28.3)	(15.3)	(43.3)	(26.1)	(71.6)	(41.4)
Change in working capital and other	(865.7)	(845.8)	55.4	(16.9)	(810.3)	(862.7)
Operating net cash flow	**(555.0)**	**(538.2)**	**338.0**	**258.8**	**(217.0)**	**(279.4)**
Financial income / (expenses) paid	(49.1)	(63.2)	(67.6)	(45.7)	(116.7)	(108.9)
Taxes paid	(31.6)	(24.7)	(35.0)	(44.8)	(66.6)	(69.5)
Cash-out for one-off, non-recurring and restructuring expenses	(12.6)	(20.4)	(9.9)	(9.5)	(22.5)	(29.9)
Dividends paid to minority shareholders	-	(1.3)	(0.4)	(5.2)	(0.4)	(6.5)
Differences from foreign currency translation and other	(29.8)	(2.6)	(75.0)	0.1	(104.8)	(2.5)
Net cash flow before dividends, extraordinary transactions and investments	**(678.1)**	**(650.4)**	**150.1**	**153.7**	**(528.0)**	**(496.7)**
Hevea-Tec acquisition	-	(23.0)	-	0.5	-	(22.5)
Capital subscription Middle East and North Africa Tyre Company	(12.8)	-	-	-	(12.8)	-
Daeckia disposal	-	-	43.4	-	43.4	-
Other extraordinary transactions	(5.8)	-	(0.5)	-	(6.3)	-
Net cash flow before dividends paid by the Parent Company	**(696.7)**	**(673.4)**	**193.0**	**154.2**	**(503.7)**	**(519.2)**
Dividends paid by the Parent Company	-	-	(249.2)	(197.1)	(249.2)	(197.1)
Net cash flow	**(696.7)**	**(673.4)**	**(56.2)**	**(42.9)**	**(752.9)**	**(716.3)**

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 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):
    - 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;
    - non-recurring expenses/income recognised under financial income and financial expenses;
    - 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**: 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 owned tangible assets and intangible 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".*

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