



Stezzano, 9 November 2021

BREMBO: REVENUES FOR THE FIRST NINE MONTHS OF 2021 AT €2,041.8 MILLION, UP 30.9% (+32.6% ON A LIKE-FOR-LIKE EXCHANGE RATE BASIS); +3.6% COMPARED TO THE SAME PERIOD OF 2019

Compared to 30 September 2020:

- **Revenues** amounted to €2,041.8 million (+30.9%)
- **EBITDA** at €381.7 million (EBITDA margin: 18.7%), **EBIT** at €224.1 million (EBIT margin: 11.0%)
- **Net investments for the period** at €152.0 million
- **Net financial debt** at €483.3 million (€277.5 million prior to the application of IFRS 16), down €22.4 million compared to 30 September 2020

Results at 30 September 2021:

(€ million)	2021	2020	Change
Revenue	2,041.8	1,559.9	+30.9%
EBITDA % of sales	381.7 18.7%	267.1 17.1%	+42.9%
EBIT % of sales	224.1 11.0%	110.6 7.1%	+102.6%
Pre-tax profit % of sales	223.5 10.9%	92.5 5.9%	+141.5%
Net profit % of sales	168.7 8.3%	71.7 4.6%	+135.2%
	30.09.21	30.09.20	Change
Net financial debt	483.3	505.7	-22.4
Net financial debt prior to IFRS 16	277.5	320.1	-42.6

Q3 2021 results:

(€ million)	2021	2020	Change
Revenue	681.0	608.8	+11.9%
EBITDA % of sales	111.4 16.4%	123.8 20.3%	-10.0%
EBIT % of sales	58.3 8.6%	71.8 11.8%	-18.9%
Pre-tax profit % of sales	55.3 8.1%	67.9 11.1%	-18.5%
Net profit % of sales	41.7 6.1%	51.7 8.5%	-19.4%

Brembo Chairman **Alberto Bombassei** stated: *"The results for the third quarter of 2021 approved today by Brembo's Board of Directors show how the company has succeeded in generating growing revenues compared to the same period of not only the previous year but, especially, of 2019, outperforming its reference market. The Group's fundamentals remain solid, thanks to the contribution of all the business segments in which we operate.*

However, after reporting a robust performance in the first half of the year, there was a strong and negative impact from commodities inflation and semiconductor shortage. These exogenous factors are likely to impact the automotive industry at least until the end of 2021, although the demand for vehicles remains high.

In a difficult context that generates uncertainties on the immediate future, Brembo's strategy continues in the direction it has taken. We finalized the acquisition of J.Juan in Spain, thus completing our motorbike range of products. Moreover, the recent introduction of our new, intelligent braking system, SENSIFY, positions Brembo as a cutting-edge company ready to provide technological solutions for the vehicles of the future."

Results at 30 September 2021

Brembo's Board of Directors chaired by Alberto Bombassei examined and approved the Group's results at 30 September 2021.

Net consolidated revenues amounted to €2,041.8 million, up 30.9% (+32.6% on a like-for-like exchange rate basis) compared to the same period of the previous year.

On a like-for-like exchange rate and consolidation basis (the latter following the acquisition of the Danish company SBS Friction, effective 1 January 2021), the increase would have been 31.7%.

Compared to the first nine months of 2019 — a more homogeneous comparison in light of the effects of the Covid-19 pandemic — 9M 2021 revenues grew by 3.6%.

In the reporting period, all segments in which the Group operates performed very well: the car segment rose by 26.3%, motorbike applications by 64.0% (+54.9% on a like-for-like consolidation basis), applications for commercial vehicles by 35.3% and those for racing vehicles by 29.6% compared to the same period of 2020.

At geographical level, sales rose by 39.4% in Italy, 29.9% in Germany, 18.7% in France and 31.6% in the United Kingdom (+30.9% on a like-for-like exchange rate basis).

India grew by 43.9% (+51.7% on a like-for-like exchange rate basis), China by 32.5% (+30.9% on a like-for-like exchange rate basis) and Japan by 27.5% (+27.2% on a like-for-like exchange rate basis). The North American market (USA, Mexico and Canada) rose by 27.1% (+34.0% on a like-for-like exchange rate basis) and the South American market (Brazil and Argentina) grew by 32.4% (+46.6% on a like-for-like exchange rate basis).

At 30 September 2021, the cost of sales and other net operating costs amounted to €1,294.8 million, with a 63.4% ratio to sales, down slightly in percentage terms compared to 63.6% for the same period of the previous year (€992.2 million).

Personnel expenses amounted to €376.6 million, with an 18.4% ratio to sales, decreasing compared to the same period of the previous year (19.6% of sales).

At 30 September 2021, workforce numbered 11,539 (of which 107 from the newly acquired SBS Friction), compared to 11,039 at 31 December 2020 and 11,402 at 30 June 2021.

At 30 September 2021, EBITDA amounted to €381.7 million (EBITDA margin: 18.7%), up compared to €267.1 million (EBITDA margin: 17.1%) for the same period of the previous year.

EBIT was €224.1 million (EBIT margin: 11.0%) compared to €110.6 million (EBIT margin: 7.1%) at 30 September 2020.

Net interest expense from investments amounted to €0.6 million (€18.1 million at 30 September 2020); this item included exchange gains for €3.4 million (exchange losses for €7.8 million for the same period of the previous year), interest expense for €8.0 million (€10.3 million at 30 September 2020) and interest income from investments amounting to €4.0 million (€48 thousand at 30 September 2020).

Pre-tax profit was €223.5 million compared to €92.5 million at 30 September 2020. Based on the tax rates applicable under current tax regulations in force in each country, estimated taxes amounted to €54.6 million (€19.9 million for the same period of 2020), with a tax rate of 24.4% compared to 21.5% for the same period of the previous year.

The reporting period ended with a net profit of €168.7 million, accounting for 8.3% of sales.

Net financial debt at 30 September 2021 amounted to €483.3 million, down €22.4 million compared to 30 September 2020. Without the effects of IFRS 16, net financial debt would have been €277.5 million, down €42.6 million compared to 30 September 2020.

Q3 2021 results

In the third quarter of 2021, net consolidated revenues amounted to €681.0 million, increasing by 11.9% (+10.8% on a like-for-like exchange rate basis) compared to the third quarter of 2020 and by 5.2% compared to the third quarter of 2019.

On a like-for-like exchange rate and consolidation basis (the latter following the acquisition of the Danish company SBS Friction, effective 1 January 2021), the increase would have been 10.1%.

In the third quarter of 2021, the cost of sales and other net operating costs amounted to €450.9 million, with a 66.2% ratio to sales, up in percentage terms compared to 63.2% for the same period of the previous year (€384.5 million).

EBITDA for the quarter amounted to €111.4 million (EBITDA margin: 16.4%), down 10.0% compared to the same quarter of 2020.

During the reporting period, there were sharp, widespread increases in production costs, particularly for ferrous metals, energy and logistics, which are largely recovered in the months after those in which they occur through the usual automatic indexing mechanisms of contracts in place with the Company's main clients.

In addition, the global microchip shortage affecting the automotive sector, despite not having a direct impact on Brembo, created considerable volatility in client orders, preventing optimal management of production capacity.

These factors contributed to reducing margins compared to the previous year and the previous quarters.

EBIT was €58.3 million (EBIT margin: 8.6%) compared to €71.8 million (EBIT margin: 11.8%) for the third quarter of 2020.

The reporting period ended with a net profit of €41.7 million, accounting for 6.1% of sales.

Closing of J.Juan acquisition

On 4 November, Brembo finalised the acquisition of J.Juan Group, a Spanish company specialising in the development and production of motorbike braking systems.

The total outlay for the transaction was €73 million, paid using available liquidity and subject to the usual adjustment mechanisms applicable to similar transactions, that will be completed over the next 80 working days.

The acquisition of J.Juan will enable the Group to complete its range of solutions for the motorbike braking system and to expand its brand family for the growing motorbike sector.

Foreseeable Evolution

The Group continues to monitor and manage the strong tensions linked to the costs of raw materials, energy and transportation that have reached unprecedented levels in recent months. They are partly recovered, in the months following their occurrence, through the usual contractual indexing mechanisms in place with the Company's main clients.

Despite not having a direct impact on Brembo, the electric component shortage that is currently affecting the automotive sector — and is set to continue also in the forthcoming months — creates considerable volatility in client orders, preventing optimal saturation of production capacity.

On the basis of the current scenario and the results achieved to date, for financial year 2021 the Group expects revenue growth of between 20% and 25% compared to the previous year and EBITDA margin in the range of 18%-19%.

The manager in charge of the Company's financial reports Andrea Pazzi, declares, pursuant to paragraph 2 of Article 154-bis of Italy's Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Annexed hereto are the unaudited Statement of Income and Statement of Financial Position.

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CONSOLIDATED STATEMENT OF INCOME

<i>(euro million)</i>	30.09.2021	30.09.2020	Change	%	Q3 '21	Q3 '20	Change	%
Revenue from contracts with customers	2,041.8	1,559.9	481.8	30.9%	681.0	608.8	72.2	11.9%
Other revenues and income	17.6	13.7	3.9	28.6%	7.3	5.5	1.7	31.1%
Costs for capitalised internal works	16.3	16.0	0.3	1.7%	4.7	5.0	(0.3)	-6.1%
Raw materials, consumables and goods	(944.1)	(711.3)	(232.8)	32.7%	(335.3)	(280.0)	(55.3)	19.8%
Income (expenses) from non-financial investments	11.3	4.9	6.4	131.3%	3.7	3.0	0.7	22.4%
Other operating costs	(384.6)	(310.5)	(74.1)	23.9%	(127.6)	(115.1)	(12.5)	10.8%
Personnel expenses	(376.6)	(305.5)	(71.1)	23.3%	(122.3)	(103.4)	(18.8)	18.2%
GROSS OPERATING INCOME	381.7	267.1	114.5	42.9%	111.4	123.8	(12.4)	-10.0%
<i>% of revenue from contracts with customer</i>	18.7%	17.1%			16.4%	20.3%		
Depreciation, amortisation and impairment losses	(157.6)	(156.5)	(1.1)	0.7%	(53.2)	(52.0)	(1.1)	2.2%
NET OPERATING INCOME	224.1	110.6	113.5	102.6%	58.3	71.8	(13.5)	-18.9%
<i>% of revenue from contracts with customer</i>	11.0%	7.1%			8.6%	11.8%		
Net interest income (expense) and interest income (expense) from investments	(0.6)	(18.1)	17.5	-96.9%	(3.0)	(4.0)	1.0	-24.2%
RESULT BEFORE TAXES	223.5	92.5	131.0	141.5%	55.3	67.9	(12.6)	-18.5%
<i>% of revenue from contracts with customer</i>	10.9%	5.9%			8.1%	11.1%		
Taxes	(54.6)	(19.9)	(34.8)	175.1%	(13.3)	(15.4)	2.1	-13.6%
Result from discontinued operations	(0.1)	(0.1)	0.0	39.5%	0.0	(0.1)	0.1	-83.1%
RESULT BEFORE MINORITY INTERESTS	168.8	72.6	96.2	132.5%	42.0	52.4	(10.4)	-19.8%
<i>% of revenue from contracts with customer</i>	8.3%	4.7%			6.2%	8.6%		
Minority interests	(0.1)	(0.9)	0.8	-88.0%	(0.3)	(0.6)	0.3	-55.7%
NET RESULT FOR THE PERIOD	168.7	71.7	97.0	135.2%	41.7	51.7	(10.0)	-19.4%
<i>% of revenue from contracts with customer</i>	8.3%	4.6%			6.1%	8.5%		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.52	0.22			0.13	0.16		

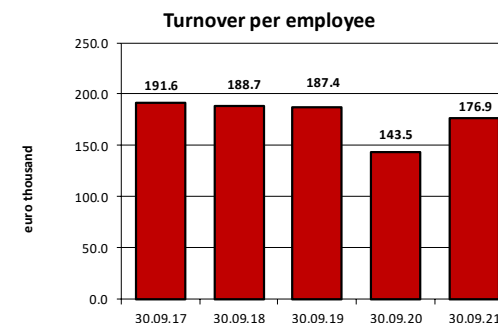
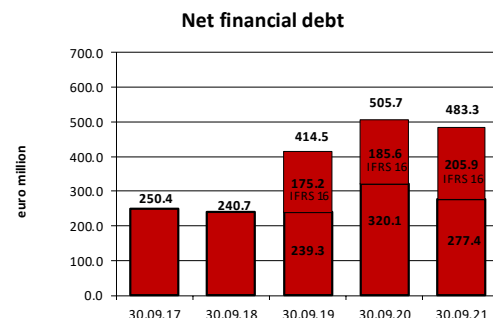
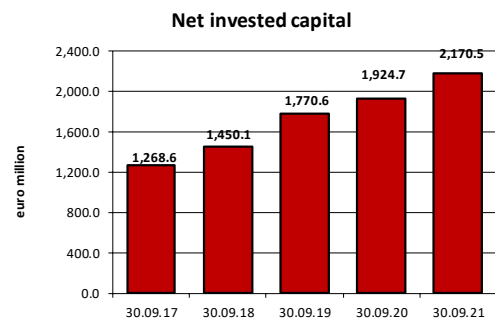
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro million)</i>	30.09.2021	31.12.2020	Change
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and other equipment	1,007.3	975.8	31.4
Right of use assets	205.7	207.5	(1.8)
Development costs	96.3	92.3	4.1
Goodwill and other indefinite useful life assets	106.8	79.9	26.9
Other intangible assets	51.1	47.4	3.7
Shareholding valued using the equity method	40.4	43.9	(3.6)
Other financial assets (including investments in other companies and derivatives)	261.5	217.3	44.2
Receivables and other non-current assets	20.4	18.2	2.2
Deferred tax assets	75.6	76.7	(1.2)
TOTAL NON-CURRENT ASSETS	1,865.1	1,759.0	106.0
CURRENT ASSETS			
Inventories	443.8	354.9	89.0
Trade receivables	492.4	385.4	107.0
Other receivables and current assets	134.0	119.3	14.7
Current financial assets and derivatives	1.7	1.9	(0.3)
Cash and cash equivalents	400.2	551.3	(151.1)
TOTAL CURRENT ASSETS	1,472.2	1,412.9	59.4
ASSETS FROM DISCONTINUED OPERATIONS	0.7	0.9	(0.2)
TOTAL ASSETS	3,338.0	3,172.7	165.2
EQUITY AND LIABILITIES			
GROUP EQUITY			
Share capital	34.7	34.7	0.0
Other reserves	89.8	37.4	52.4
Retained earnings/(losses)	1,339.9	1,241.4	98.5
Net result for the period	168.7	136.5	32.1
TOTAL GROUP EQUITY	1,633.1	1,450.1	183.0
TOTAL MINORITY INTERESTS	32.2	31.0	1.2
TOTAL EQUITY	1,665.3	1,481.0	184.3
NON-CURRENT LIABILITIES			
Non-current payables to banks	427.5	548.2	(120.8)
Long-term lease liabilities	184.3	187.4	(3.1)
Other non-current financial payables and derivatives	1.6	1.0	0.6
Other non-current liabilities	1.8	14.9	(13.1)
Non-current provisions	43.4	43.0	0.4
Provisions for employee benefits	22.5	26.6	(4.0)
Deferred tax liabilities	29.0	26.4	2.6
TOTAL NON-CURRENT LIABILITIES	710.2	847.5	(137.3)
CURRENT LIABILITIES			
Current payables to banks	246.8	176.0	70.8
Short-term lease liabilities	21.5	21.5	0.1
Other current financial payables and derivatives	3.5	3.8	(0.3)
Trade payables	496.4	474.9	21.5
Tax payables	9.9	7.4	2.5
Current provisions	0.2	1.9	(1.7)
Other current liabilities	184.1	158.6	25.5
TOTAL CURRENT LIABILITIES	962.4	844.1	118.3
LIABILITIES FROM DISCONTINUED OPERATIONS	0.1	0.1	(0.1)
TOTAL LIABILITIES	1,672.7	1,691.7	(19.0)
TOTAL EQUITY AND LIABILITIES	3,338.0	3,172.7	165.2

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA AND BY APPLICATION

<i>(euro million)</i>	30.09.2021	%	30.09.2020	%	Change	%	Q3 '21	%	Q3 '20	%	Change	%
GEOGRAPHICAL AREA												
Italy	237.6	11.7%	170.5	10.9%	67.2	39.4%	74.1	10.9%	62.6	10.3%	11.5	18.4%
Germany	374.4	18.3%	288.3	18.5%	86.1	29.9%	118.2	17.4%	106.2	17.5%	12.0	11.3%
France	72.7	3.6%	61.3	3.9%	11.4	18.7%	25.5	3.7%	20.9	3.4%	4.5	21.7%
United Kingdom	134.9	6.6%	102.5	6.6%	32.4	31.6%	39.1	5.7%	39.1	6.4%	0.0	0.0%
Other European countries	256.7	12.6%	201.0	12.9%	55.7	27.7%	89.5	13.1%	77.9	12.8%	11.7	15.0%
India	66.9	3.3%	46.5	3.0%	20.4	43.9%	20.3	3.0%	19.7	3.2%	0.5	2.6%
China	306.7	15.0%	231.5	14.9%	75.2	32.5%	103.3	15.2%	90.9	14.9%	12.4	13.7%
Japan	20.9	1.0%	16.4	1.1%	4.5	27.5%	5.2	0.8%	4.3	0.7%	0.9	20.7%
Other Asian Countries	33.7	1.7%	20.8	1.3%	12.9	61.9%	11.5	1.7%	7.0	1.2%	4.4	63.1%
South America (Argentina and Brazil)	29.4	1.4%	22.2	1.4%	7.2	32.4%	10.4	1.5%	9.5	1.6%	0.9	9.9%
North America (USA, Mexico & Canada)	492.8	24.1%	387.8	24.8%	105.0	27.1%	177.8	26.1%	167.6	27.5%	10.2	6.1%
Other Countries	15.1	0.7%	11.2	0.7%	3.9	34.6%	6.1	0.9%	3.1	0.5%	3.0	94.4%
Total	2,041.8	100.0%	1,559.9	100.0%	481.8	30.9%	681.0	100.0%	608.8	100.0%	72.2	11.9%
<i>(euro million)</i>	30.09.2021	%	30.09.2020	%	Change	%	Q3 '21	%	Q3 '20	%	Change	%
APPLICATION												
Passenger Car	1,481.4	72.6%	1,172.9	75.2%	308.5	26.3%	500.8	73.5%	463.6	76.2%	37.2	8.0%
Motorbike	241.7	11.8%	147.4	9.4%	94.3	64.0%	76.5	11.2%	57.1	9.4%	19.4	34.0%
Commercial Vehicle	221.1	10.8%	163.5	10.5%	57.6	35.3%	72.7	10.7%	61.3	10.0%	11.4	18.7%
Racing	97.5	4.8%	75.3	4.8%	22.2	29.6%	31.1	4.6%	26.4	4.3%	4.8	18.0%
Miscellaneous	0.0	0.0%	0.9	0.1%	(0.9)	-99.0%	(0.2)	0.0%	0.5	0.1%	(0.7)	-135.5%
Total	2,041.8	100.0%	1,559.9	100.0%	481.8	30.9%	681.0	100.0%	608.8	100.0%	72.2	11.9%

MAIN RATIOS



	30.09.2017	30.09.2018	30.09.2019	30.09.2020	30.09.2021
Net operating income/Revenue from contract with customers	14.6%	13.3%	12.6%	7.1%	11.0%
Result before taxes/Revenue from contract with customers	14.3%	12.8%	12.0%	5.9%	10.9%
Net investments/Revenue from contract with customers	13.6%	9.2%	7.7%	7.2%	7.4%
Net Financial indebtedness/Equity	25.3%	20.4%	31.1%	36.3%	29.0%
Adjusted net interest expense(*)/Revenue from contract with customers	0.4%	0.4%	0.6%	0.7%	0.4%
Adjusted net interest expense(*)/Net operating income	2.5%	2.7%	4.5%	9.3%	3.6%
ROI	27.1%	23.6%	18.5%	9.3%	13.6%
ROE	25.8%	22.6%	17.0%	9.2%	14.1%

Note:

ROI: Net operating income rolling 12 months/Net invested capital.

ROE: Result before minority interests rolling 12 months (net of Result from discontinued operations)/Equity.

(*) This item does not include exchange gains and losses.