



Stezzano, 28 July 2022

## BREMBO: EXTRAORDINARY GROWTH IN H1 2022

**REVENUES AT €1,746.5 MILLION, +28.3% VS H1 2021**

**EBITDA AND EBIT UP 13%**

**NET PROFIT AT +17.3%**

### Compared to H1 2021:

- Revenues** at €1,746.5 million (+28.3%); +19.3% on a like-for-like exchange rate and consolidation basis
- EBITDA** at €305.3 million (EBITDA margin: 17.5%); **EBIT** at €187.5 million (EBIT margin: 10.7%)
- Net investments for the period** amounted to €121.6 million
- Net financial debt** at €595.1 million (€368.0 million prior to the application of IFRS 16), up €98.2 million compared to 30 June 2021

### H1 2022 results:

(€ million)	2022	2021	Change
Revenue	1,746.5	1,360.8	+28.3%
EBITDA % of sales	305.3 17.5%	270.2 19.9%	+13.0%
EBIT % of sales	187.5 10.7%	165.8 12.2%	+13.1%
Pre-tax profit % of sales	198.2 11.4%	168.2 12.4%	+17.8%
Net profit % of sales	148.9 8.5%	126.9 9.3%	+17.3%
	<b>30.06.22</b>	<b>30.06.21</b>	<b>Change</b>
Net financial debt	595.1	496.9	+98.2
Net financial debt excluding IFRS 16	368.0	290.2	+77.8

Brembo Executive Chairman **Matteo Tiraboschi** stated: “*The significant H1 results approved today by the Board of Directors are the outcome of a long-term method and strategy adopted by the whole Brembo team, which has shown strong commitment even in such a complex context, thereby ensuring performance continuity in line with the first three months of the year. Our Company continues to focus on providing customers with the utmost service quality and on innovating our solutions. This direction is actually reflected in the recently announced joint venture with a leading group in the production of high-tech braking components — a transaction that strengthens our position in an important segment for us such as the aftermarket.*

*Although the constantly changing geopolitical and macroeconomic scenario requires us to be cautious, Brembo's solid position, the significant results achieved so far and the encouraging signals we are receiving from our reference market let us look towards the rest of the year with confidence.”*

## H1 2022 results

Brembo's Board of Directors, chaired by Matteo Tiraboschi, met today and approved the Group's half-year results at 30 June 2022.

In the reporting period, net consolidated revenues amounted to €1,746.5 million, up 28.3% (+23.2% on a like-for-like exchange rate basis) compared to the first half of the previous year.

Following the acquisition of the Spanish J.Juan Group, effective 1 November 2021, the consolidation scope changed; on a like-for-like consolidation basis, the increase was 24.4%. On a like-for-like exchange rate and consolidation basis, revenues rose by 19.3% compared to the same period of the previous year.

In the reporting period, the Group reported a very positive performance across all sectors in which it operates: the car segment rose by 27.6%, motorbike applications by 44.3% (+12.2% on a like-for-like consolidation basis), applications for commercial vehicles by 17.4% and those for racing vehicles by 24.2% compared to the first half of 2021.

At geographical level, sales rose by 15.9% in Italy, by 27.5% in Germany and by 10.1% in France, whereas they declined by 3.4% in the United Kingdom (-4.1% on a like-for-like exchange rate basis). The North American market (USA, Mexico and Canada) grew by 49.8% (+37.4% on a like-for-like exchange rate basis) and the South American market (Brazil and Argentina) increased by 44.9% (+25.4% on a like-for-like exchange rate basis).

India grew by 30.9% (+23.4% on a like-for-like exchange rate basis) and China by 24.6% (+14.0% on a like-for-like exchange rate basis), while Japan decreased by 25.6% (-26.4% on a like-for-like exchange rate basis).

In H1 2022, the cost of sales and other net operating costs amounted to €1,148.5 million, with a 65.8% ratio to sales, up in percentage terms compared to 62.0% for the same period of the previous year (€843.9 million).

Personnel expenses amounted to €301.7 million, with a 17.3% ratio to sales, decreasing compared to the same period of the previous year (18.7% of sales).

At 30 June 2022, workforce numbered 12,797 (of which 628 from the J.Juan Group), compared to 12,656 at 31 March 2022 and 12,225 at 31 December 2021.

EBITDA amounted to €305.3 million (EBITDA margin: 17.5%) compared to €270.2 million (EBITDA margin: 19.9%) for H1 2021.

EBIT amounted to €187.5 million (EBIT margin: 10.7%) compared to €165.8 million (EBIT margin: 12.2%) for H1 2021.

Net interest income for the period amounted to €2.9 million (net interest expense of €1.5 million in H1 2021) and included interest expense amounting to €6.0 million (€5.3 million in H1 2021) and net exchange gains of €8.9 million (€3.8 million in H1 2021). Income from investments was €7.8 million compared to €3.9 million in H1 2021.

Pre-tax profit was €198.2 million compared to €168.2 million for H1 2021.

Based on the tax rates applicable under current tax regulations in force in each country, estimated taxes amounted to €49.0 million (€41.4 million in H1 2021), with a tax rate of 24.7% compared to 24.6% for the same period of the previous year.

The first half of the year ended with a net profit of €148.9 million, up 17.3% compared to the same period of the previous year.

Net financial debt at 30 June 2022 amounted to €595.1 million, up €98.2 million compared to 30 June 2021. Excluding the impact of IFRS 16, net financial debt would be €368.0 million, up €77.8 million compared to 30 June 2021.

## **JV agreement signed with Chinese Gold Phoenix to manufacture aftermarket pads**

On 25 July, Brembo announced the incorporation of a 50/50 joint venture with Gold Phoenix, aimed at building the first large-scale site to manufacture brake pads for the aftermarket. The agreement is subject to local customary conditions precedent and antitrust approval.

The JV, denominated Shandong BRGP Friction Technology Co., Ltd, will focus on innovative products with premium quality, especially in terms of performance, comfort, durability and sustainability, with a view to anticipating the challenges posed by electrification and autonomous driving.

The JV will start operations at the beginning of 2023 in the city of Jinan, capital of the Shandong province, in eastern China.

As part of the transaction, the two companies will make a total investment of €35 million over the next three years.

## **Foreseeable Evolution**

Our orders backlog for the coming months remains robust, with a good utilisation of production capacity at global level. Barring extraordinary changes in the current geopolitical situation and the macro-economic context, with particular regard to exchange rates and commodity and utilities prices, for FY 2022 the Group expects a second half of the year in line with H1 in terms of revenues and margins, thanks to the past and current long-term strategy adopted.

*Pursuant to the applicable legislation in force, Brembo Group's Six Monthly Report at 30 June 2022, as approved by the Board of Directors today, will be made available to the public at the Company's registered office, and on the corporate website [www.brembo.com](http://www.brembo.com), as well as in the authorised central storage mechanism at [www.1info.it](http://www.1info.it).*

*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 Statement of Income, the Statement of Financial Position and the Statement of Cash Flows.*

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## CONSOLIDATED STATEMENT OF INCOME

(euro million)	30.06.2022	30.06.2021	Change	%	Q2 '22	Q2 '21	Change	%
<b>Revenue from contracts with customers</b>	<b>1,746.5</b>	<b>1,360.8</b>	<b>385.7</b>	<b>28.3%</b>	<b>888.9</b>	<b>685.7</b>	<b>203.2</b>	<b>29.6%</b>
Other revenues and income	13.9	10.3	3.5	34.2%	8.3	6.5	1.9	28.7%
Costs for capitalised internal works	11.3	11.5	(0.2)	-1.8%	5.2	4.8	0.3	6.5%
Raw materials, consumables and goods	(833.3)	(608.8)	(224.5)	36.9%	(421.8)	(301.0)	(120.8)	40.1%
Income (expenses) from non-financial investments	9.1	7.6	1.5	19.6%	4.5	3.5	1.1	30.9%
Other operating costs	(340.4)	(257.0)	(83.4)	32.5%	(172.2)	(134.5)	(37.7)	28.0%
Personnel expenses	(301.7)	(254.3)	(47.4)	18.6%	(158.4)	(130.4)	(28.0)	21.5%
<b>GROSS OPERATING INCOME</b>	<b>305.3</b>	<b>270.2</b>	<b>35.1</b>	<b>13.0%</b>	<b>154.5</b>	<b>134.6</b>	<b>20.0</b>	<b>14.8%</b>
<b>% of revenue from contracts with customer</b>	<b>17.5%</b>	<b>19.9%</b>			<b>17.4%</b>	<b>19.6%</b>		
Depreciation, amortisation and impairment losses	(117.8)	(104.4)	(13.4)	12.8%	(59.9)	(52.5)	(7.5)	14.2%
<b>NET OPERATING INCOME</b>	<b>187.5</b>	<b>165.8</b>	<b>21.7</b>	<b>13.1%</b>	<b>94.6</b>	<b>82.1</b>	<b>12.5</b>	<b>15.2%</b>
<b>% of revenue from contracts with customer</b>	<b>10.7%</b>	<b>12.2%</b>			<b>10.6%</b>	<b>12.0%</b>		
Net interest income (expense)	2.9	(1.5)	4.4	-299.4%	1.0	1.2	(0.2)	-14.1%
Interest income (expense) from investments	7.8	3.9	3.9	99.5%	7.8	3.8	3.9	102.2%
<b>RESULT BEFORE TAXES</b>	<b>198.2</b>	<b>168.2</b>	<b>30.0</b>	<b>17.8%</b>	<b>103.4</b>	<b>87.2</b>	<b>16.3</b>	<b>18.7%</b>
<b>% of revenue from contracts with customer</b>	<b>11.4%</b>	<b>12.4%</b>			<b>11.6%</b>	<b>12.7%</b>		
Taxes	(49.0)	(41.4)	(7.6)	18.4%	(25.6)	(21.9)	(3.7)	16.9%
Result from discontinued operations	(0.2)	(0.1)	(0.1)	57.9%	(0.1)	(0.1)	0.0	6.6%
<b>RESULT BEFORE MINORITY INTERESTS</b>	<b>149.1</b>	<b>126.8</b>	<b>22.3</b>	<b>17.6%</b>	<b>77.8</b>	<b>65.2</b>	<b>12.6</b>	<b>19.3%</b>
<b>% of revenue from contracts with customer</b>	<b>8.5%</b>	<b>9.3%</b>			<b>8.7%</b>	<b>9.5%</b>		
Minority interests	(0.2)	0.2	(0.4)	-215.2%	(0.5)	0.4	(0.9)	-233.4%
<b>NET RESULT FOR THE PERIOD</b>	<b>148.9</b>	<b>126.9</b>	<b>22.0</b>	<b>17.3%</b>	<b>77.2</b>	<b>65.6</b>	<b>11.7</b>	<b>17.8%</b>
<b>% of revenue from contracts with customer</b>	<b>8.5%</b>	<b>9.3%</b>			<b>8.7%</b>	<b>9.6%</b>		
<b>BASIC/DILUTED EARNINGS PER SHARE (euro)</b>	<b>0.46</b>	<b>0.39</b>			<b>0.24</b>	<b>0.20</b>		

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro million)	30.06.2022	31.12.2021	Change
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant, equipment and other equipment	1,080.1	1,047.3	32.9
Right of use assets	227.3	227.5	(0.2)
Development costs	103.0	101.1	1.9
Goodwill and other indefinite useful life assets	121.8	118.8	3.0
Other intangible assets	77.6	77.4	0.2
Shareholding valued using the equity method	54.3	45.1	9.2
Other financial assets (including investments in other companies and derivatives)	245.6	320.3	(74.6)
Receivables and other non-current assets	23.1	23.2	(0.1)
Deferred tax assets	75.2	71.6	3.6
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,008.0</b>	<b>2,032.3</b>	<b>(24.3)</b>
<b>CURRENT ASSETS</b>			
Inventories	631.2	482.9	148.3
Trade receivables	688.9	468.2	220.7
Other receivables and current assets	132.6	136.2	(3.6)
Current financial assets and derivatives	24.7	5.6	19.1
Cash and cash equivalents	349.0	557.5	(208.4)
<b>TOTAL CURRENT ASSETS</b>	<b>1,826.4</b>	<b>1,650.4</b>	<b>176.0</b>
<b>ASSETS FROM DISCONTINUED OPERATIONS</b>	<b>0.5</b>	<b>0.7</b>	<b>(0.1)</b>
<b>TOTAL ASSETS</b>	<b>3,834.9</b>	<b>3,683.3</b>	<b>151.7</b>
<b>EQUITY AND LIABILITIES</b>			
<b>GROUP EQUITY</b>			
Share capital	34.7	34.7	0.0
Other reserves	206.1	124.1	82.0
Retained earnings/(losses)	1,414.3	1,388.2	26.1
Net result for the period	148.9	215.5	(66.6)
<b>TOTAL GROUP EQUITY</b>	<b>1,804.1</b>	<b>1,762.6</b>	<b>41.5</b>
<b>TOTAL MINORITY INTERESTS</b>	<b>33.8</b>	<b>33.5</b>	<b>0.3</b>
<b>TOTAL EQUITY</b>	<b>1,838.0</b>	<b>1,796.1</b>	<b>41.8</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current payables to banks	477.9	516.2	(38.3)
Long-term lease liabilities	201.9	202.3	(0.4)
Other non-current financial payables and derivatives	1.3	3.1	(1.8)
Other non-current liabilities	5.1	2.0	3.1
Non-current provisions	50.0	45.0	5.0
Provisions for employee benefits	18.6	24.0	(5.4)
Deferred tax liabilities	39.8	38.2	1.7
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>794.7</b>	<b>830.8</b>	<b>(36.1)</b>
<b>CURRENT LIABILITIES</b>			
Current payables to banks	261.7	225.3	36.4
Short-term lease liabilities	25.3	24.2	1.0
Other current financial payables and derivatives	0.8	3.8	(3.0)
Trade payables	724.3	590.8	133.5
Tax payables	12.6	13.0	(0.4)
Current provisions	0.4	1.0	(0.6)
Other current liabilities	177.2	198.2	(21.0)
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,202.2</b>	<b>1,056.3</b>	<b>146.0</b>
<b>LIABILITIES FROM DISCONTINUED OPERATIONS</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>
<b>TOTAL LIABILITIES</b>	<b>1,997.0</b>	<b>1,887.2</b>	<b>109.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,834.9</b>	<b>3,683.3</b>	<b>151.7</b>

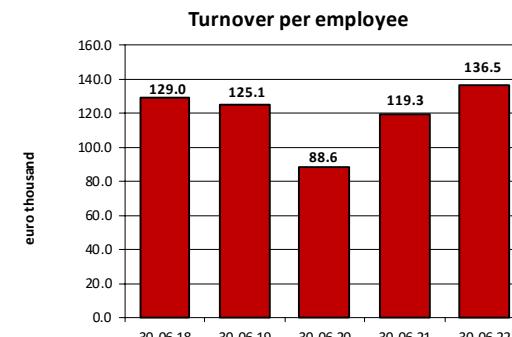
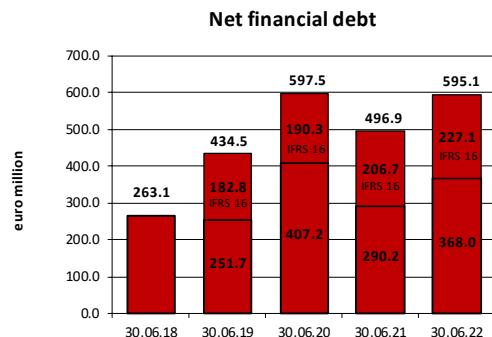
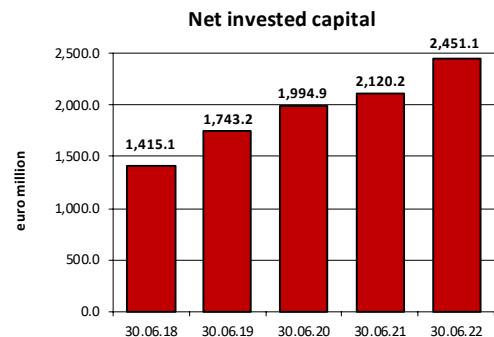
## CONSOLIDATED STATEMENT OF CASH-FLOW

(euro million)	30.06.2022	30.06.2021
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>471.9</b>	<b>445.2</b>
Result before taxes	198.2	168.2
Depreciation, amortisation/Impairment losses	117.8	104.4
Capital gains/losses	(0.6)	0.2
Income/expense from investments, net of dividends received	(9.2)	(2.7)
Financial portion of provisions for defined benefits and payables for personnel	0.2	0.2
Long-term provisions for employee benefits	1.6	1.3
Other provisions net of utilisations	21.3	3.5
<b>Result from discontinued operations</b>	<b>(0.2)</b>	<b>(0.1)</b>
<b>Cash flows generated by operating activities</b>	<b>329.2</b>	<b>275.1</b>
Current taxes paid	(37.4)	(34.2)
Uses of long-term provisions for employee benefits	(3.0)	(2.2)
<i>(Increase) reduction in current assets:</i>		
inventories	(157.9)	(101.4)
financial assets	(0.3)	0.0
trade receivables	(221.6)	(103.8)
receivables from others and other assets	(10.7)	(2.1)
<i>Increase (reduction) in current liabilities:</i>		
trade payables	133.5	66.0
payables to others and other liabilities	(22.5)	0.5
<b>Translation differences on current assets</b>	<b>7.0</b>	<b>3.3</b>
<b>Net cash flows from/(for) operating activities</b>	<b>16.5</b>	<b>101.1</b>
<i>Investments in:</i>		
property, plant and equipment	(96.6)	(77.5)
right of use assets	(8.8)	(7.7)
intangible assets	(16.8)	(17.3)
financial assets (shareholdings)	(0.1)	(0.1)
Price for disposal or reimbursement value of fixed assets	1.2	2.4
Amounts (paid)/received for the acquisition/disposal of subsidiaries, net of the associated cash and cash equivalents	0.0	(30.4)
<b>Net cash flows from/(for) investing activities</b>	<b>(121.0)</b>	<b>(130.7)</b>
Dividends paid in the period	(87.1)	(70.3)
Dividends paid to minority shareholders in the period	(0.8)	(0.6)
Change in fair value of derivatives	(3.3)	1.6
New lease agreements	8.8	7.0
Reimbursement of lease liabilities	(15.4)	(14.4)
Loans and financing granted by banks and other financial institutions in the period	0.1	0.0
Repayment of long-term loans and other financing	(119.8)	(50.1)
<b>Net cash flows from/(for) financing activities</b>	<b>(217.5)</b>	<b>(126.8)</b>
<b>Total cash flows</b>	<b>(322.0)</b>	<b>(156.4)</b>
Translation differences on cash and cash equivalents	(0.4)	2.0
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>149.5</b>	<b>290.8</b>

## NET SALES BREAKDOWN BY GEOGRAPHICAL AREA AND BY APPLICATION

(euro million)	30.06.2022	%	30.06.2021	%	Change	%	Q2 '22	%	Q2 '21	%	Change	%
<b>GEOGRAPHICAL AREA</b>												
Italy	189.4	10.8%	163.5	12.0%	25.9	15.9%	96.8	10.9%	85.8	12.5%	11.0	12.8%
Germany	326.7	18.7%	256.3	18.8%	70.4	27.5%	172.5	19.3%	135.2	19.7%	37.3	27.6%
France	52.1	3.0%	47.3	3.5%	4.8	10.1%	26.4	3.0%	22.8	3.3%	3.6	15.8%
United Kingdom	92.5	5.3%	95.8	7.0%	(3.3)	-3.4%	44.5	5.0%	44.2	6.4%	0.3	0.6%
Other European countries	219.7	12.6%	167.2	12.3%	52.5	31.4%	113.2	12.7%	87.6	12.8%	25.6	29.2%
India	61.0	3.4%	46.6	3.4%	14.4	30.9%	32.4	3.6%	19.7	2.9%	12.8	64.9%
China	253.3	14.5%	203.4	14.9%	49.9	24.6%	116.2	13.1%	105.3	15.4%	10.9	10.3%
Japan	11.7	0.7%	15.7	1.2%	(4.0)	-25.6%	5.3	0.6%	6.6	1.0%	(1.3)	-19.7%
Other Asian Countries	26.5	1.5%	22.2	1.6%	4.2	19.0%	14.5	1.6%	10.4	1.5%	4.1	39.8%
South America (Argentina and Brazil)	27.5	1.6%	19.0	1.4%	8.5	44.9%	15.6	1.8%	9.7	1.4%	5.9	61.0%
North America (USA, Mexico & Canada)	471.8	27.1%	315.0	23.2%	156.9	49.8%	244.9	27.6%	153.4	22.4%	91.4	59.6%
Other Countries	14.3	0.8%	8.9	0.7%	5.4	60.2%	6.7	0.8%	5.1	0.7%	1.7	33.0%
<b>Total</b>	<b>1,746.5</b>	<b>100.0%</b>	<b>1,360.8</b>	<b>100.0%</b>	<b>385.7</b>	<b>28.3%</b>	<b>888.9</b>	<b>100.0%</b>	<b>685.7</b>	<b>100.0%</b>	<b>203.2</b>	<b>29.6%</b>
<b>APPLICATION</b>												
Passenger Car	1,251.2	71.6%	980.6	72.1%	270.6	27.6%	642.0	72.3%	498.0	72.6%	144.0	28.9%
Motorbike	238.5	13.7%	165.2	12.1%	73.2	44.3%	118.7	13.4%	79.7	11.6%	39.1	49.0%
Commercial Vehicle	174.1	10.0%	148.4	10.9%	25.8	17.4%	89.3	10.0%	75.7	11.1%	13.7	18.1%
Racing	82.5	4.7%	66.4	4.9%	16.1	24.2%	38.8	4.3%	32.3	4.7%	6.5	20.2%
Miscellaneous	0.2	0.0%	0.2	0.0%	0.0	-12.8%	0.1	0.0%	0.1	0.0%	(0.1)	-33.8%
<b>Total</b>	<b>1,746.5</b>	<b>100.0%</b>	<b>1,360.8</b>	<b>100.0%</b>	<b>385.7</b>	<b>28.3%</b>	<b>888.9</b>	<b>100.0%</b>	<b>685.7</b>	<b>100.0%</b>	<b>203.2</b>	<b>29.6%</b>

## MAIN RATIOS



	30.06.2018	30.06.2019	30.06.2020	30.06.2021	30.06.2022
Net operating income/Revenue from contract with customers	13.9%	13.2%	4.1%	12.2%	10.7%
Result before taxes/Revenue from contract with customers	13.5%	12.7%	2.6%	12.4%	11.4%
Net investments/Revenue from contract with customers	9.0%	7.7%	7.7%	7.3%	7.0%
Net Financial debt/Equity	23.4%	33.7%	43.5%	31.0%	32.4%
Adjusted net interest expense(*)/Revenue from contract with customers	0.3%	0.6%	0.7%	0.4%	0.3%
Adjusted net interest expense(*)/Net operating income	2.4%	4.4%	17.0%	3.2%	3.2%
ROI	24.2%	19.1%	9.2%	14.5%	12.6%
ROE	24.2%	17.9%	9.4%	15.3%	13.0%

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.