



PIAGGIO GROUP

ANALYST AND INVESTOR MEETING

MARCH 20th 2014

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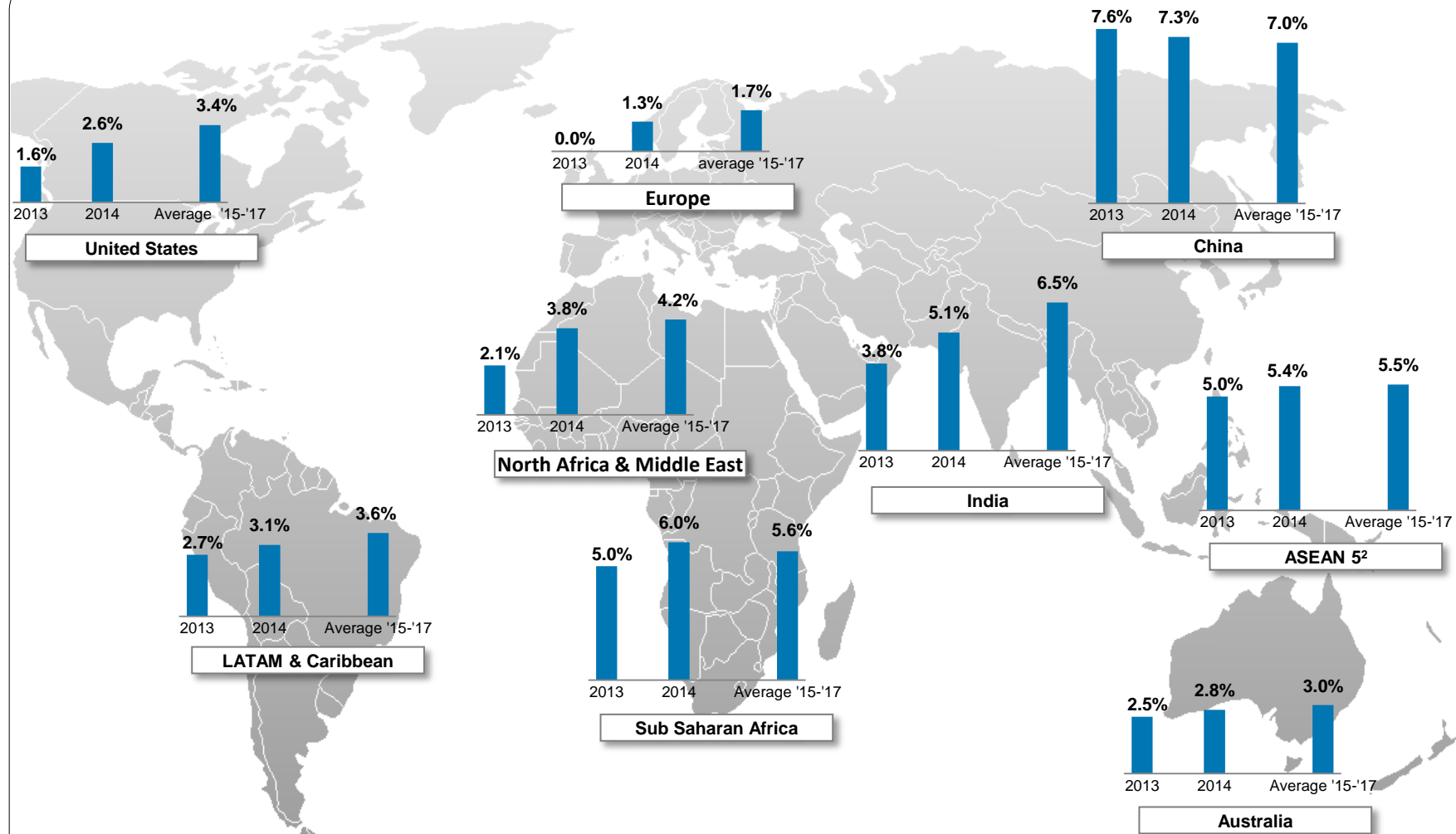
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Worldwide GDP rising with a broad positive momentum; Europe back to growth, India speeding up

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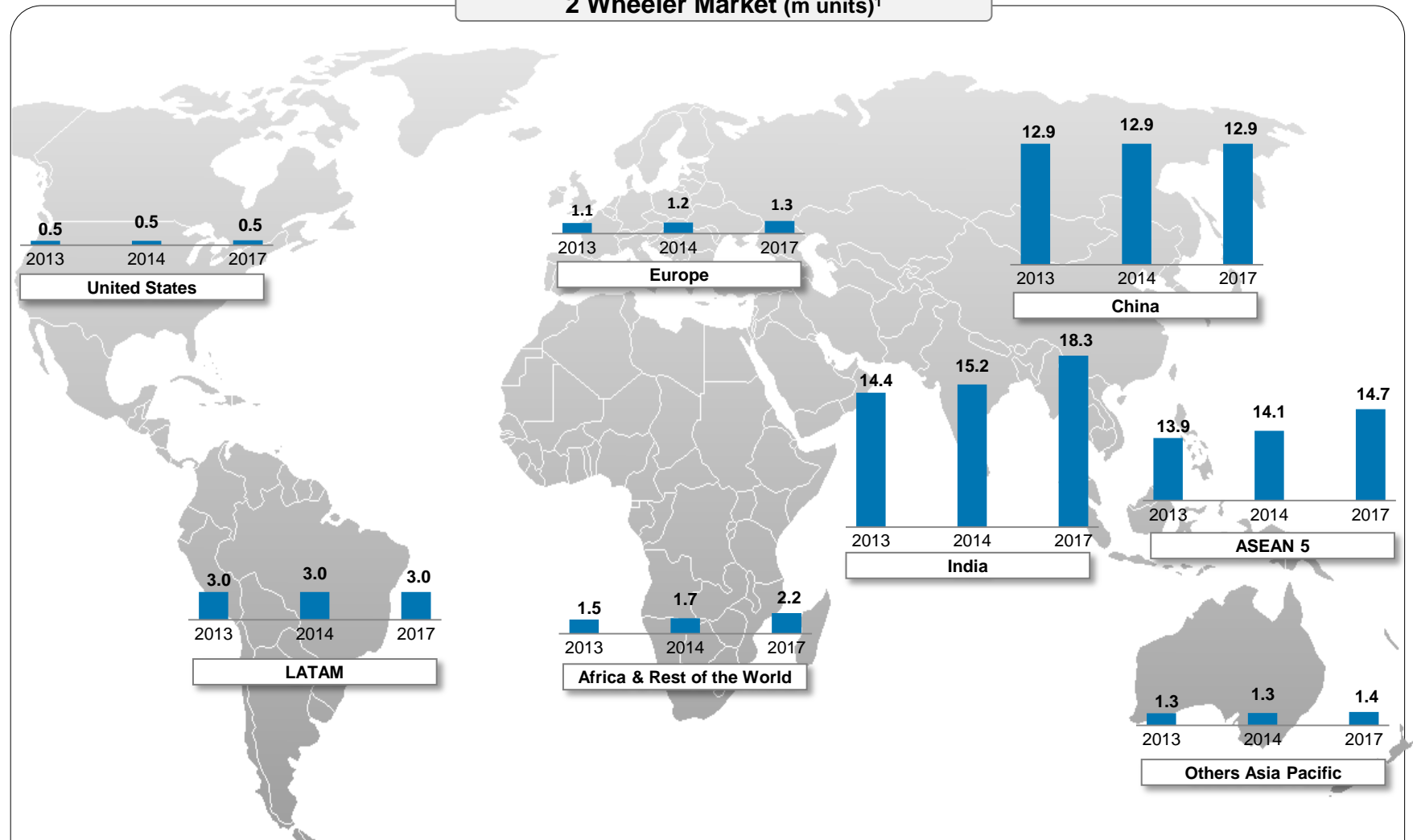
Worldwide GDP growth (% YoY)¹



¹ GDP real local currency, source: IMF, Eurostat; ² Vietnam, Indonesia, Thailand, Malaysia, Philippines

2 wheels market following WW GDP growth, in particular in Europe, Asean 5 and India

2 Wheeler Market (m units)¹

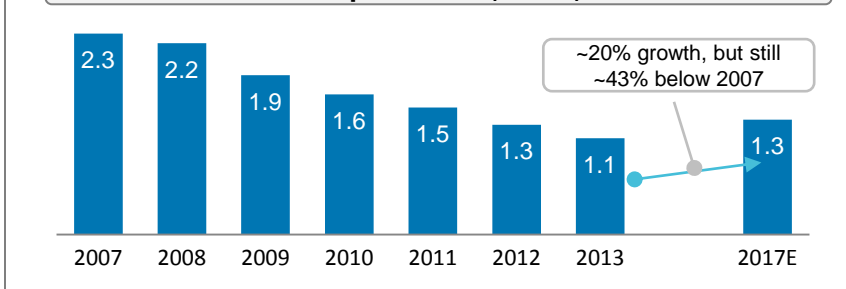


¹ Source: Market Data, Marketline, Management Estimates; ² Vietnam, Indonesia, Thailand, Malaysia, Philippines

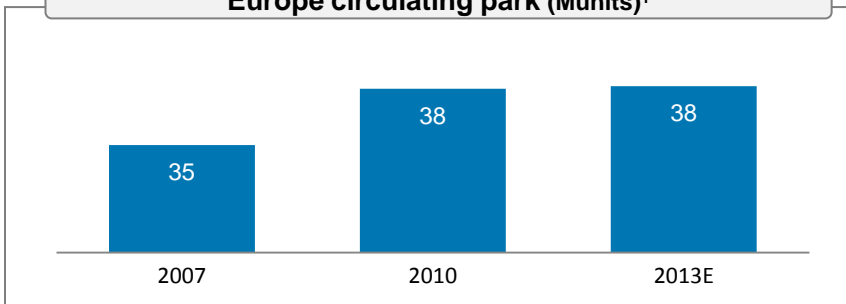
Western Countries: Scooter leadership and motorbike

Growth in a recovering market, entry in LATAM, alternative segments

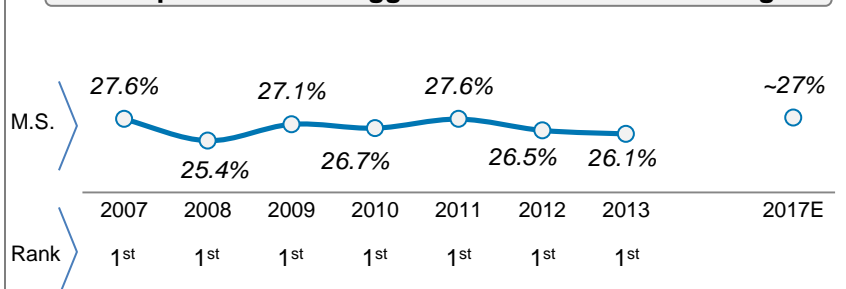
Europe market (Munits)²



Europe circulating park (Munits)¹



Europe Scooter - Piaggio market share and ranking²



Market

- Market down by more than 50% since 2007, but basic drivers of demand still in place
- Start of 2014 confirms first signs of recovery
- 2017 market forecasted in the plan ~20% higher than 2013, but still 40% lower than 2007
- Piaggio leadership in Europe confirmed with 18% of market share, above 26% in scooter

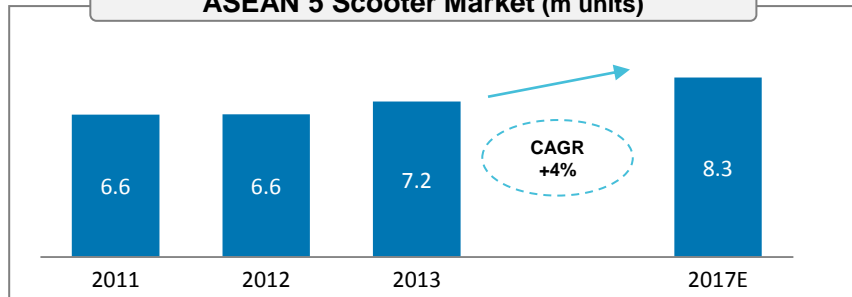
Key actions

- Leverage on leadership in a market recovering after sixth years of contraction
- Focus on premium highly profitable segments:
 - Scooters: Vespa, MP3, high wheel, GT
 - Bikes: MotoGuzzi and Aprilia (entry Moto GP)
- Reinvent marketing and communication approach and strengthen dealer network
- Enlarge addressable customer base (mid-sized bikes in Latin America and e-bikes)
- Pursue product cost competitiveness (productivity, buy back)

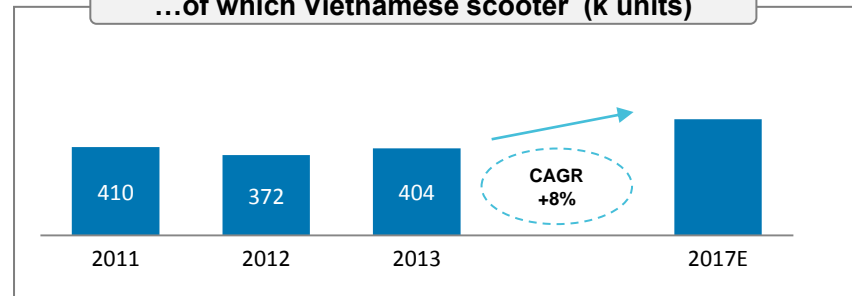
¹ Source: ACEM, Management estimates; ² Europe 19; ³ Excluding contract with Poste Italiane (2012, 2013)

Asia Pacific: Vietnamese premium strategy across the region, mid-sized bikes, Chinese market

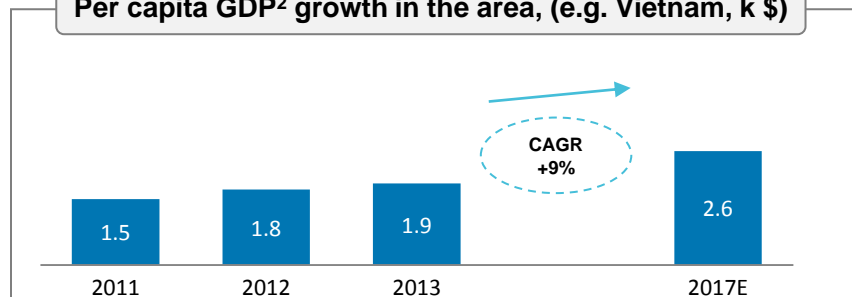
ASEAN 5 Scooter Market (m units)



...of which Vietnamese scooter (k units)



Per capita GDP² growth in the area, (e.g. Vietnam, k \$)



Market

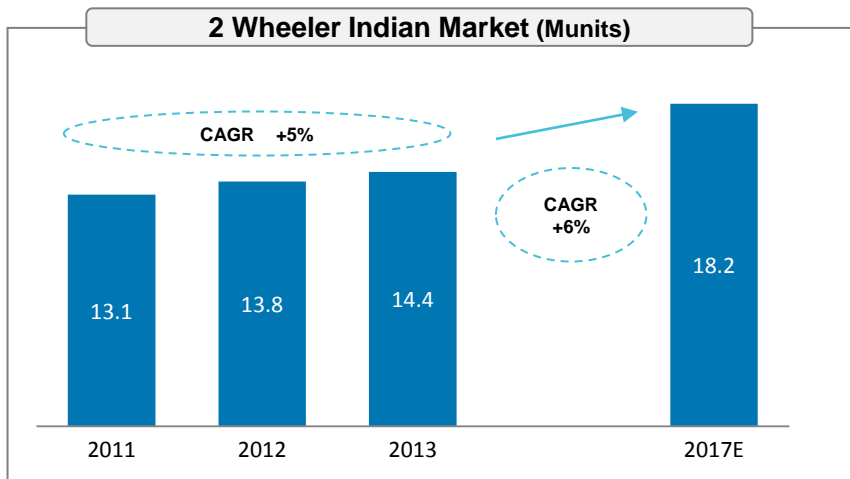
- 30% of worldwide 2 Wheel market and expected to grow, especially in the scooter segment
- Average prices on the rise, driven by shift of mix towards high-end scooters in an area that will see the middle class triple by 2020⁽¹⁾

Key actions

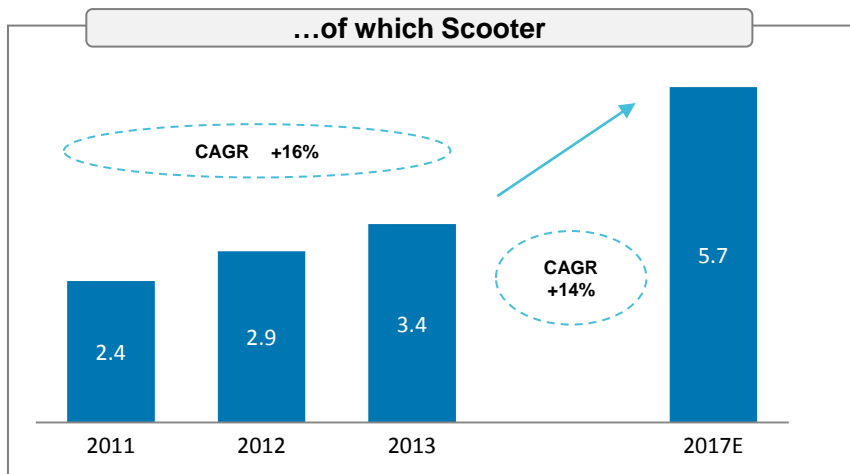
- Maintain positioning in Vietnam also leveraging on new Vespa Primavera
- Go on building new “Vietnam-like” markets:
 - Indonesia: product range and dealer network
 - Thailand, Malaysia, Taiwan
- Enlarge addressable customer base
 - Explore opportunities for mid-size bikes
 - Enter Chinese market with a direct presence

¹ Source: McKinsey, BCG, Euromonitor and management estimates; ² IMF

2 Wheeler Indian Market (Munits)



...of which Scooter



Market

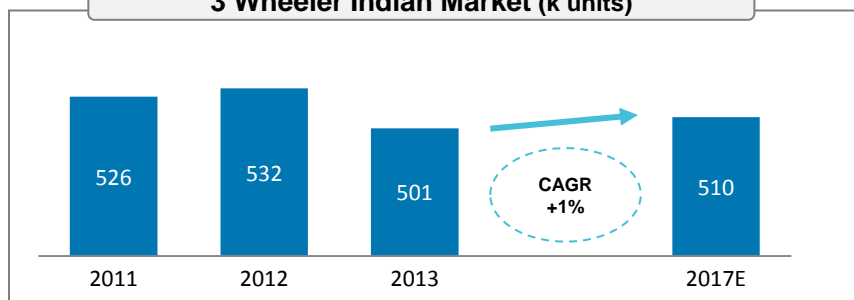
- Biggest and fastest growing 2W market in the world, especially in the scooter segment
- Highly concentrated and competitive market both in scooter and bike, with local producers playing a primary role

Key actions

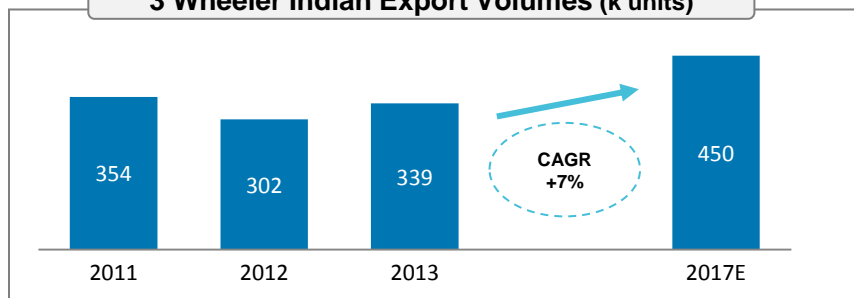
- Strengthening our distinctive offering through product premium positioning and marketing activities to develop a premium market
- Enlarge product range:
 - Vespa range and new scooters
 - Premium bikes (MotoGuzzi and Aprilia)
- Consolidate premium dealer network
- Leverage on local production plant facilities (local sales vs. buy-back)

India – 3/4W: Export, Penetration in urban areas, Small 4W

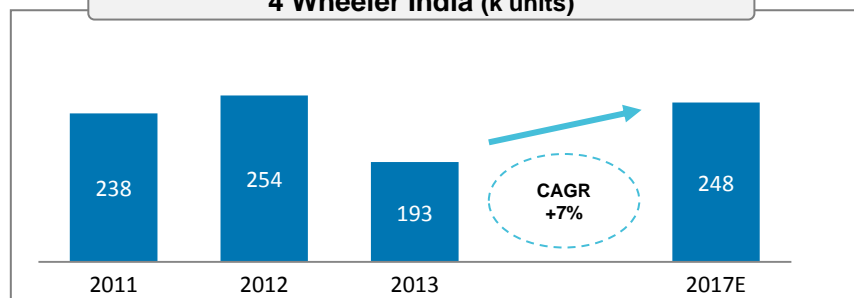
3 Wheeler Indian Market (k units)



3 Wheeler Indian Export Volumes (k units)



4 Wheeler India (k units)



Market

- Growing addressable market, with strong export opportunities (Africa and Latin America)
- Domestic market extremely concentrated with the first two players holding more than 70% of share in 3 Wheels (Piaggio, Bajaj) and more than 90% in 4 Wheels (Tata, Mahindra)

Key actions

- Gain market share in export markets from current 5%, leveraging on Indian and European sales force
- Consolidate 3 Wheels business, strengthening our positioning in urban areas with Apé City Pax;
- Grow on 4 wheels sub 1Ton leveraging on current 3 wheels customer base and distribution network

Western Countries

- Europe
 - Exploit market recovery leveraging on our undisputed leadership position in scooter (Vespa, MP3, ...)
 - Improve bikes sales and profitability focusing on Moto Guzzi and Aprilia
 - Enter the e-bike market leveraging on technological leadership, design and distribution network
- Americas
 - Grow in bikes leveraging on dealer network expansion and Moto Guzzi and Aprilia premium range
 - Pursue market opportunities in mid-sized bike segment in Latin America

Asia Pacific

- Replicate Vietnamese premium strategy across the region (Indonesia, Thailand, Malaysia, Taiwan)
- Explore opportunities for both top and mid-size bikes
- Start the penetration of Chinese premium market through our new direct presence in the country

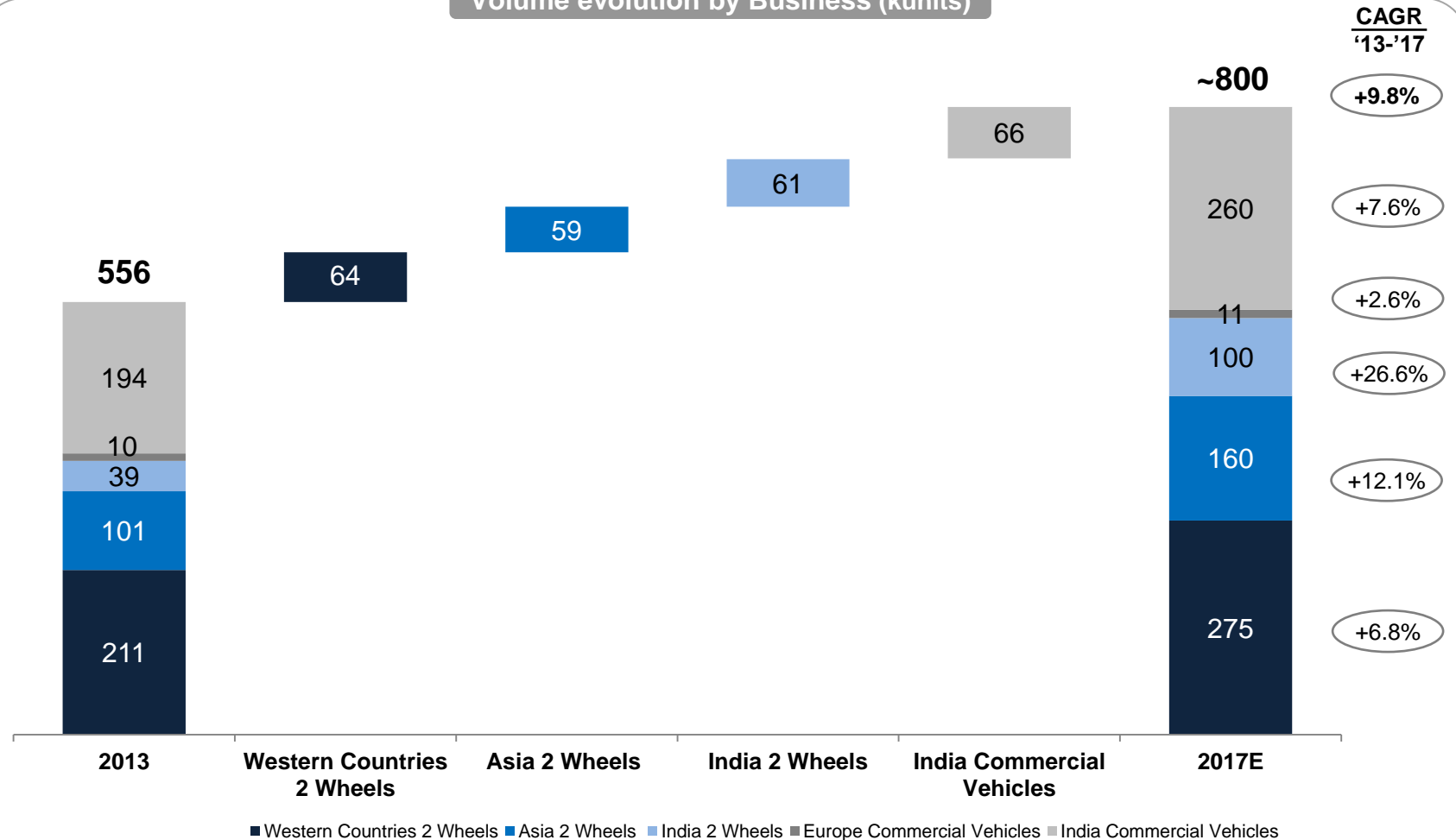
India

- Push on 3 Wheel export in Africa and Latin America, leveraging on both Indian and European sales force
- Consolidate market leadership in 3 Wheels gaining market share with Apé City Pax in urban areas; grow on 4 Wheels leveraging the introduction of sub 0.5T and sub 1T new products
- Strengthen 2 Wheels positioning in the fast growing 2 wheels market enlarging Vespa range and introducing new models in premium segment (scooters and motorbikes); exploit manufacturing capacity also for buyback

Demand recovery and extension of addressable customers will drive volume ...

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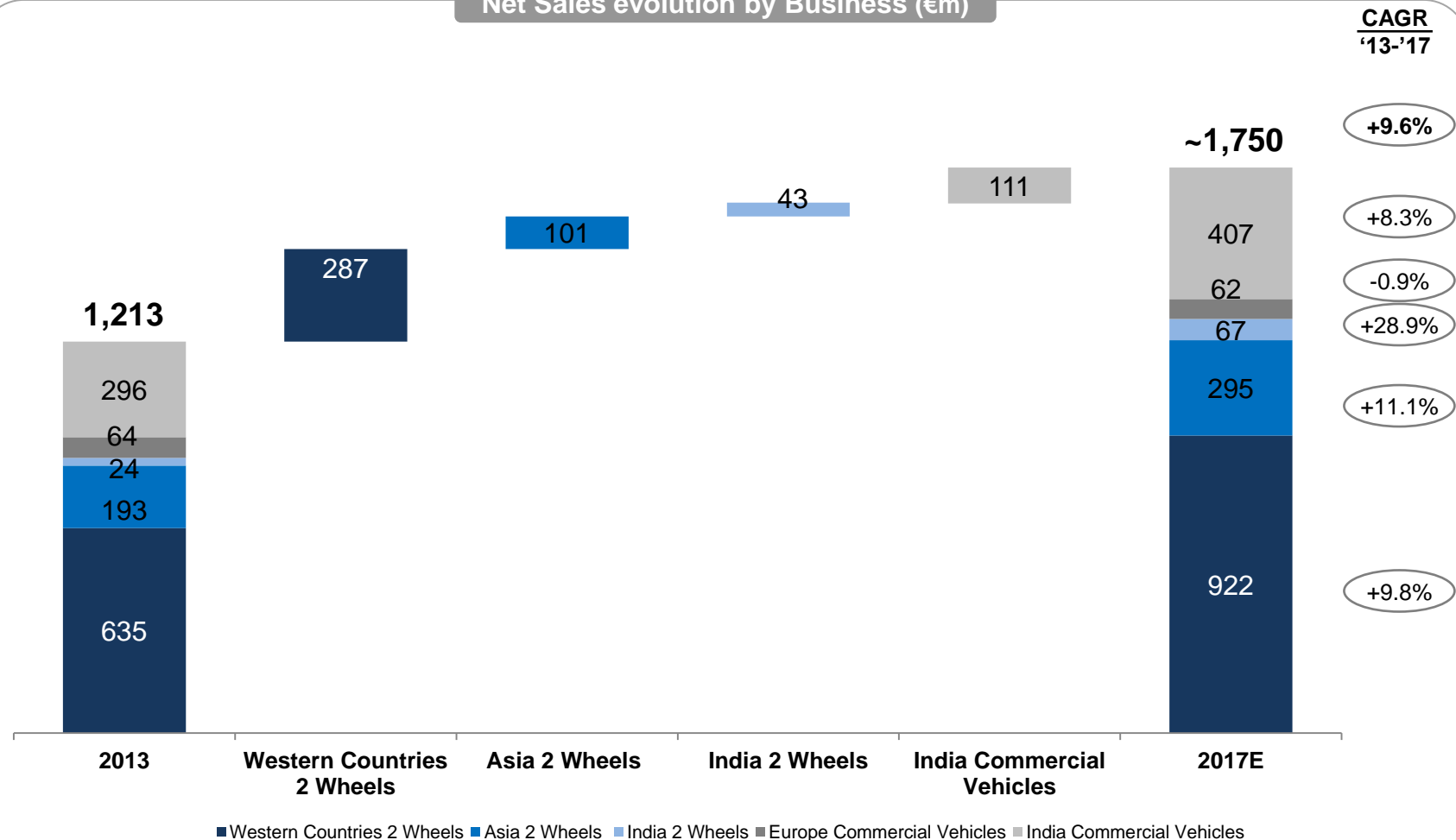
Volume evolution by Business (kunits)



About 250 k units increase with a CAGR of around 10%

...and Net Sales growth (1/2)

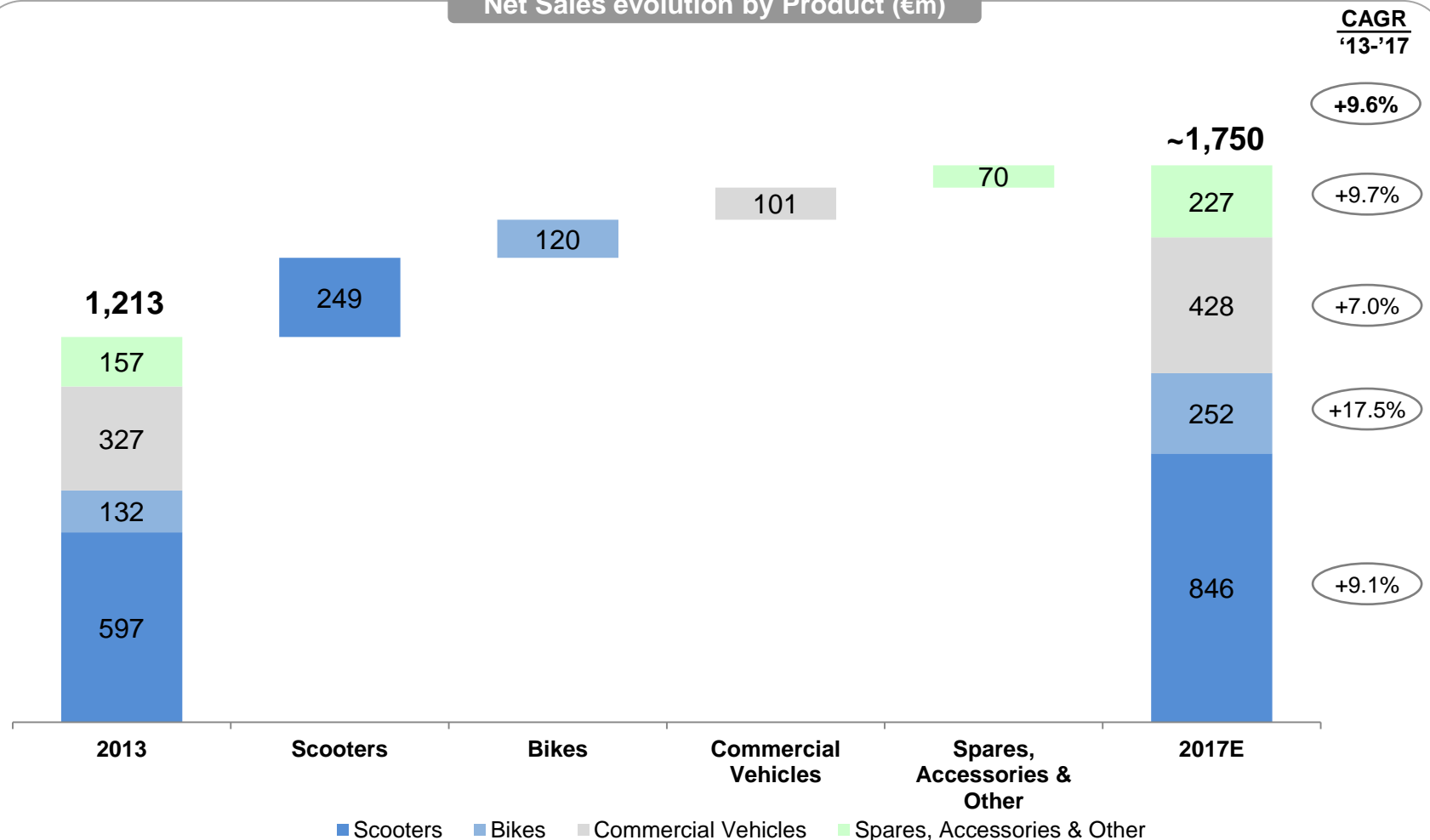
Net Sales evolution by Business (€m)



About 540 €m Net Sales increase with a CAGR of around 10%

...and Net Sales growth (2/2)

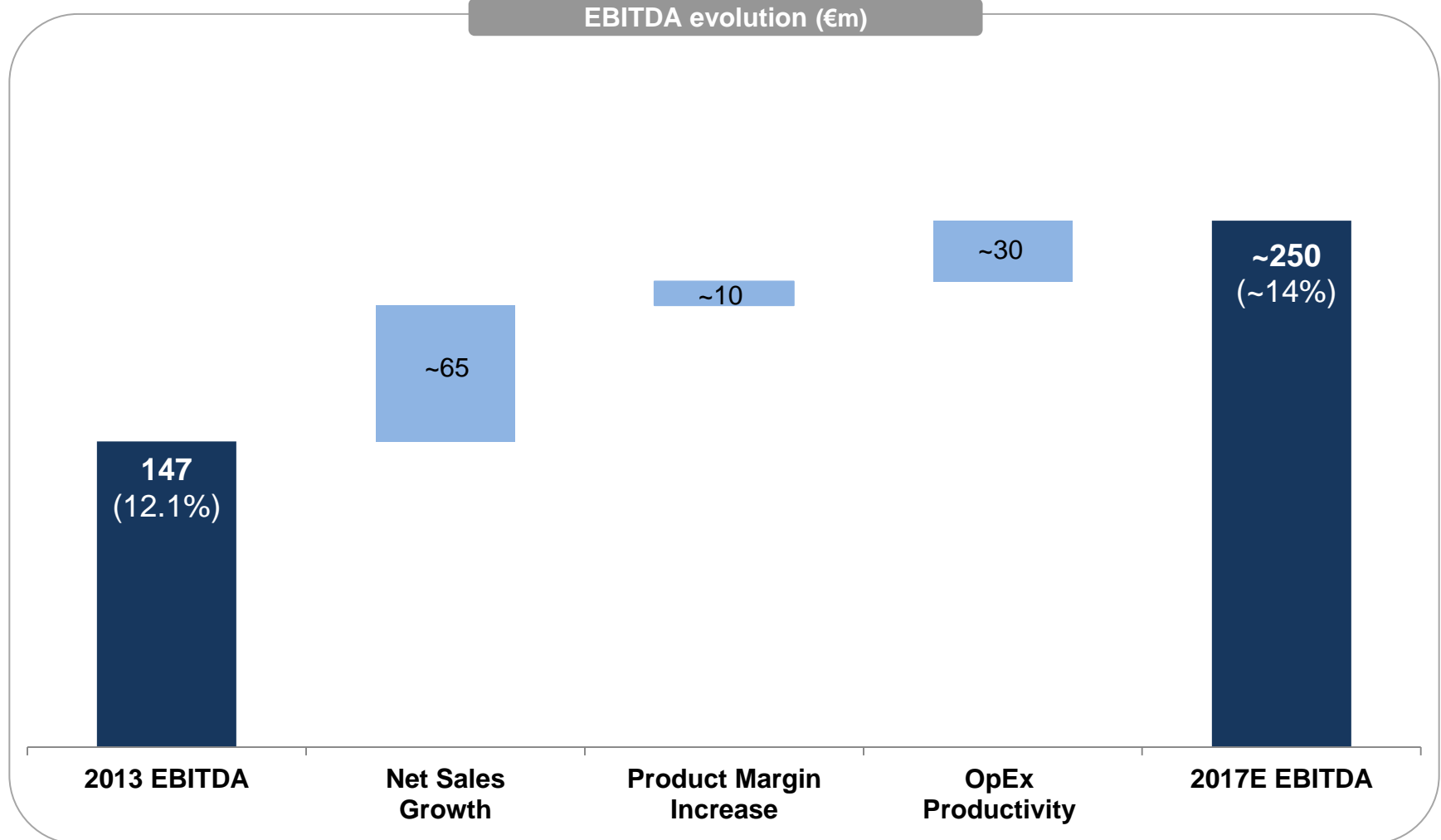
Net Sales evolution by Product (€m)



Net Sales growth, Product Margin increase and OpEx productivity will lead to over 100 €m EBITDA increase...

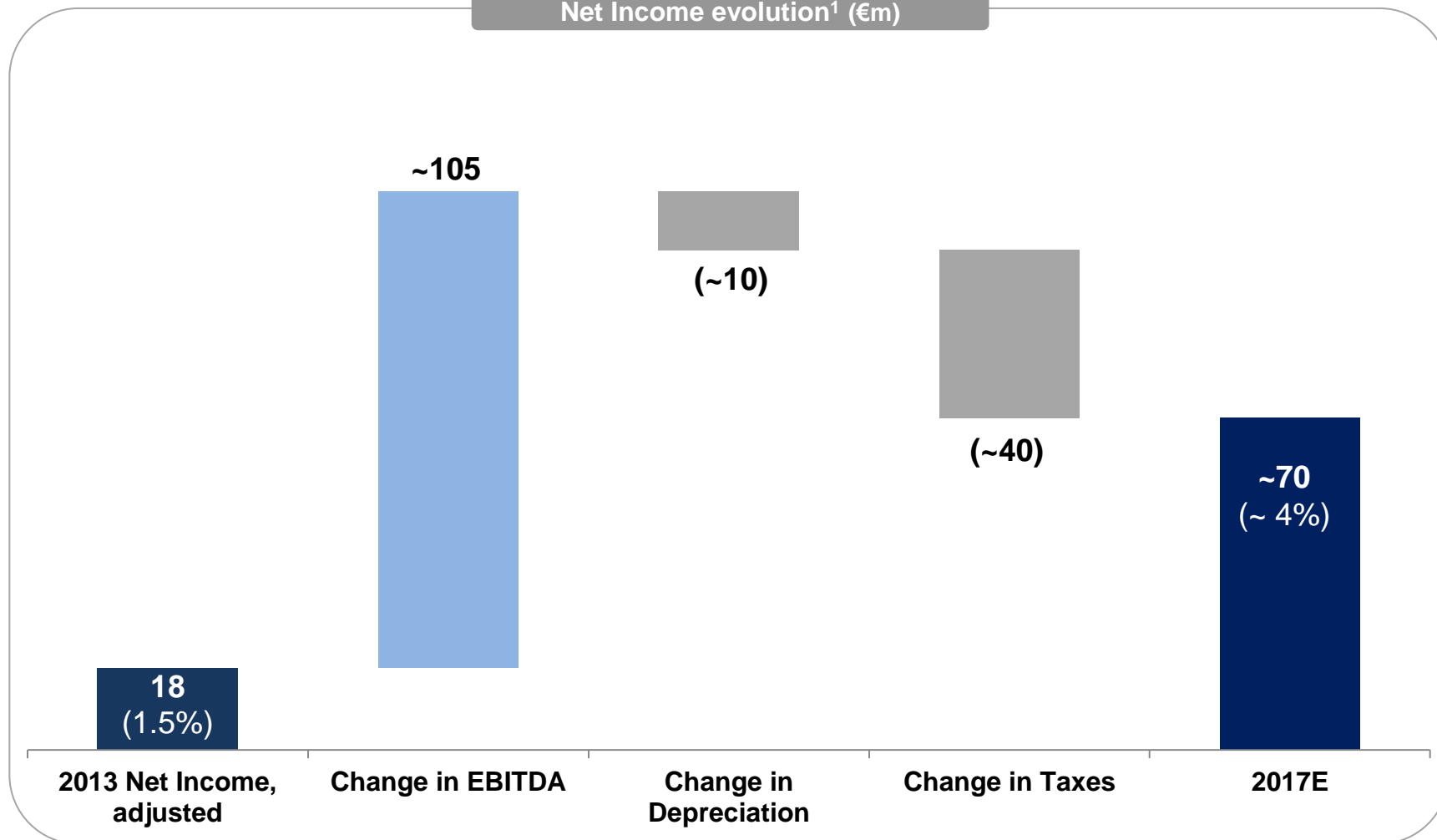
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EBITDA evolution (€m)



...and to a Net Income of around 4% on sales

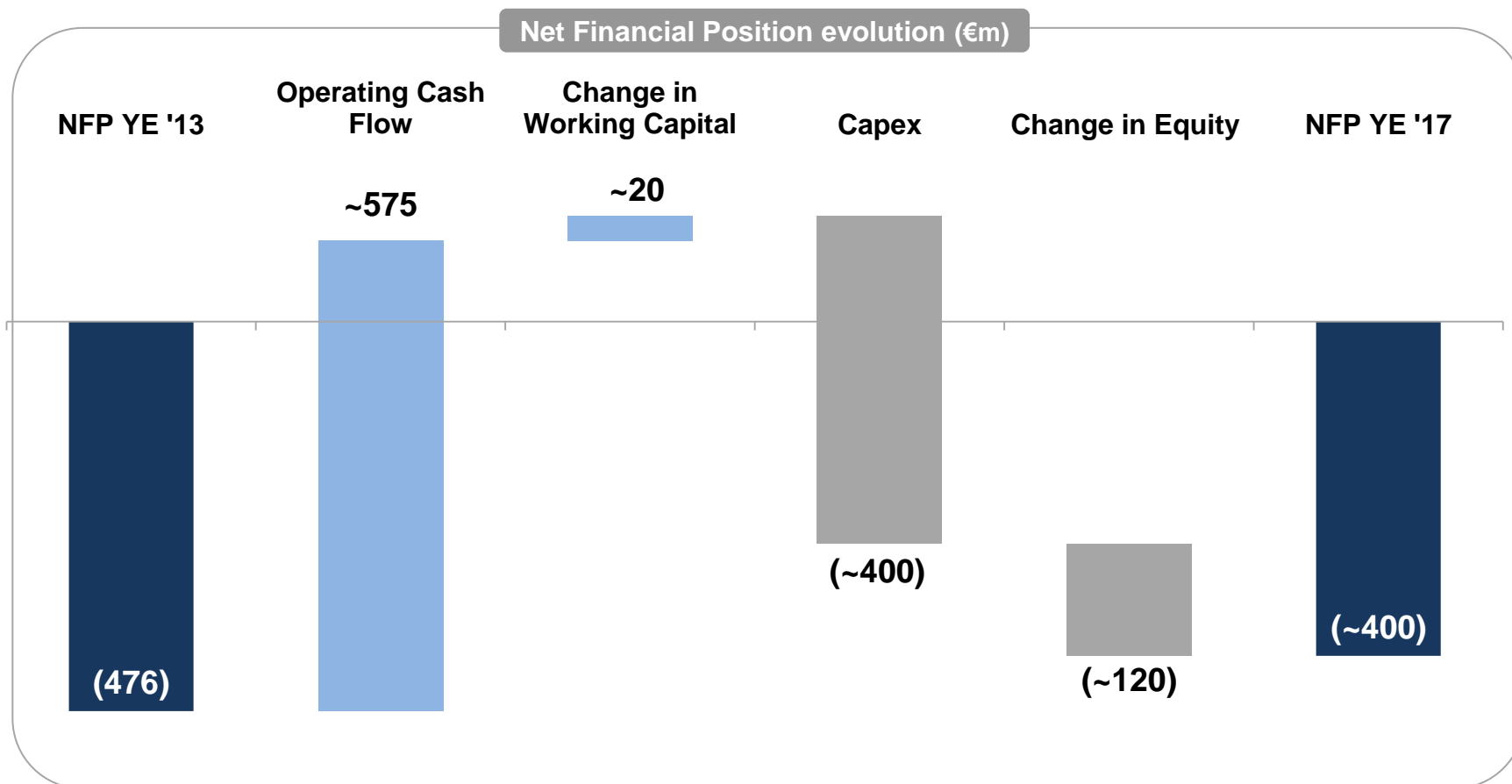
Net Income evolution¹ (€m)



⁽¹⁾ To provide a better comparison of information from different years, the Group has defined the item "adjusted", which excludes the impact of non-recurring events.

Operating cash flow generation and working capital discipline will drive NFP reduction to around 400€m

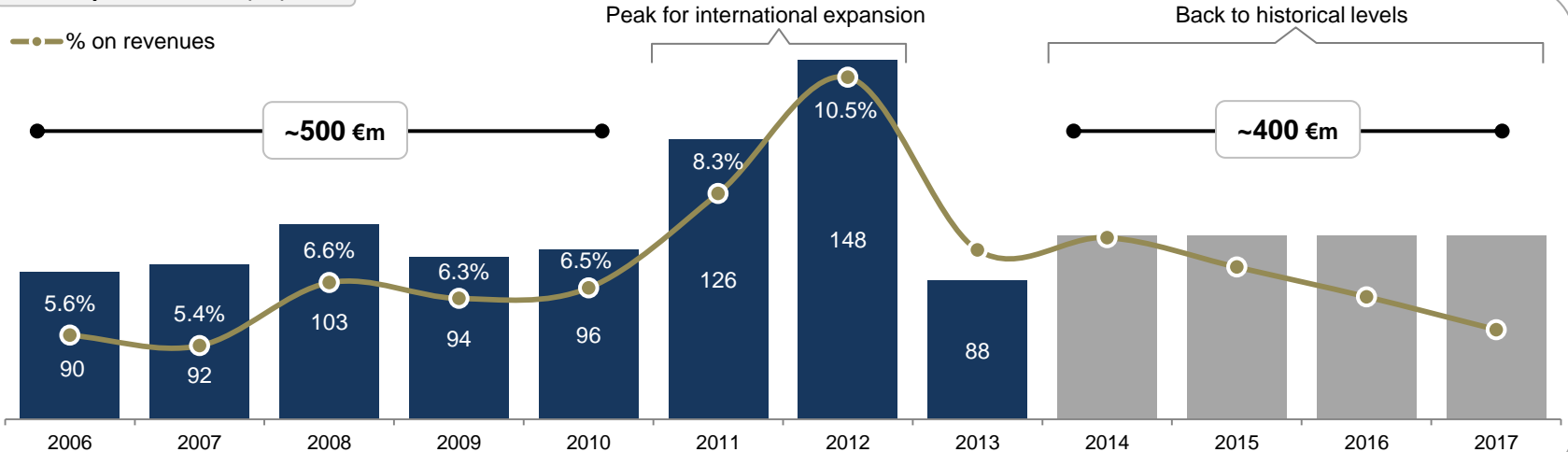
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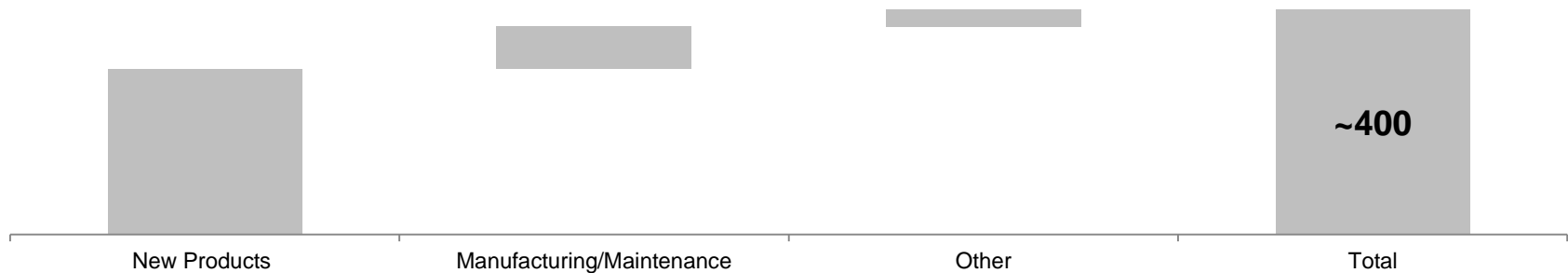
CapEx back to historical level of around 100€/year

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CapEx evolution (€m)



CapEx profile 2014-2017 (€m)



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