

PRESS RELEASE

IMMSI GROUP: FIRST HALF 2021

The Immsi Group reports very positive results for the first half of 2021, with 46.2% growth in revenues, the highest Ebitda for the first half of the year since 2007, and a net profit of 31.2 million euro, including the minority share. At the same time, debt was reduced by more than 106 million euro compared to the first half of 2020. Though the Covid-19 pandemic still represents a risk, making it necessary to continue monitoring each line of business and its market very carefully, the Group has everything it needs to further consolidate this positive trend.

- **Consolidated revenues 920.7 million euro, up 46.2%** (€629.9 mln in the first half of 2020)
- **EBITDA 140.6 million euro, up 68.1%** (€83.6 mln at 30.06.2020)
EBITDA margin 15.3% (13.3% in the first half of 2020)
- **EBIT 74.1 million euro**, (€23 mln at 30.06.2020)
EBIT margin 8% (3.7% in the first half of 2020)
- **Profit before tax 55.6 million euro** (€5.2 mln at 30.06.2020), subject to tax totalling 24.4 million euro
- **Profit of 31.2 million euro** (€0.9 mln at 30.06.2020), **including minority interests** (€16.6 mln at 30.06.2021, -€0.6 mln at 30.06.2020)
- **Immsi Group consolidated net financial position €-792.3 mln, up €106.4 mln** over -€898.8 mln at 30.06.2020
- **Capital expenditure 73.9 million euro, up 35.6%** (€54.5 mln at 30.06.2020)

Mantua, 02 September 2021 - At a meeting today chaired by Roberto Colaninno, the Board of Directors of Immsi S.p.A. (IMS.MI) examined and approved the interim report on operations as at and for the six months to 30 June 2021.

Immsi Group financial and business performance at 30 June 2021

Consolidated net sales at 30 June 2021 amounted to **920.7 million euro, the best result registered in the first half of the year since 2008, up 46.2%** over the figure of 629.9 million euro registered in the first half of 2020.

Immsi Group consolidated EBITDA was **140.6 million euro, the highest value reported by the Group for the first half of the year since 2007, up by a strong 68.1%** from 83.6 million euro in the first half of 2020. The **EBITDA margin** was **15.3%** (13.3% in the first half of 2020).

Consolidated EBIT was **74.1 million euro, more than threefold** the figure of 23 million euro for the first half of 2020. **EBIT margin** was **8%** (3.7% in the first half of 2020).

Profit before tax was 55.6 million euro (5.2 million euro in the first half of 2020), subject to tax totalling 24.4 million euro.

Net profit was 31.2 million euro (0.9 million euro at 30 June 2020), **including minority interests (16.6 million euro at 30 June 2021 and -0.6 million euro at 30 June 2020).**

Immsi Group net financial debt at 30 June 2021 was 792.3 million euro, an improvement of 106.4 million euro from 898.8 million euro at 30 June 2020, when there was a block on sales in connection with the Covid-19 pandemic. The improvement was secured by prudent management of working capital and by operating cash flow from the Group's positive business performance (particularly in relation to the Piaggio Group), which also made it possible to absorb a greater capital expenditure requirement. At 31 December 2020, the Group had net financial debt of 802.9 million euro. Group business, especially in the two-wheeler segment, is subject to seasonal trends, absorbing resources in the first half of the year and generating resources in the second half.

In 2021, Immsi Group **capital expenditure amounted to 73.9 million euro, up 35.6%** from 54.5 million euro in the first half of 2020.

Performance of the Immsi Group businesses at 30 June 2021

Industrial Sector: Piaggio Group

As of 30 June 2021, the **Piaggio Group had sold a total of 287,100 vehicles worldwide, reporting consolidated net sales of 901.7 million euro (+50,3%).** Consolidated EBITDA was 144.6 million euro (+74%), with an EBITDA margin of 16%; EBIT was 80.4 million euro (24.7 million in the first half of 2020), with an EBIT margin of 8.9%; net profit was 43.5 million euro (9.1 million in 2020).

Net financial debt at 30 June 2021 stood at 401.9 million euro, an improvement of 126.7 million euro from 528.5 million euro at 30 June 2020. Compared to 31 December 2020 (Net financial debt of 423.6 million euro), the Group generated 21.8 million euro in financial resources. The Piaggio Group issued bonds, of which 11.1 million euro maturing by 30 June 2022.

Naval Sector: Intermarine S.p.A.

The subsidiary **Intermarine S.p.A.** reported **consolidated net sales of 18.5 million euro** at 30 June 2021, including 15.6 million euro arising from the Military Sector and 2.9 million euro from the Fast Ferries and Yacht division, largely on operations at the Messina shipyard. **The Intermarine order book at 30 June 2021 stood at approximately 49.4 million euro.**

Real Estate and Holding sector

The Real Estate and Holding sector had net sales of 0.5 million euro at 30 June 2021.

The subsidiary **Is Molas S.p.A.**, which manages the Is Molas Golf Resort project in the province of Cagliari, completed four showhomes and took the remaining 11 villas in the first batch to an advanced unfinished stage, to enable potential clients to select floorings and internal finishes. The company confirmed the possibility of leasing the showhomes in order to enable end customers, including investors, to become familiar with the product and related services on offer. Commercial operations are underway to identify possible national/international purchasers.

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Significant events in and after the first half of 2021

Supplementing the information published above or at the time of approval of the 2021 first-quarter results (directors' meeting of 14 May 2021), this section illustrates key events in and after the first half of 2021.

On the occasion of the 100th anniversary of Moto Guzzi on 20 May, the President of the Republic of Italy, Sergio Mattarella, was presented with two new "Moto Guzzi V85TT" vehicles for the Corazzieri Regiment at the Palazzo del Quirinale.

On 24 May the Piaggio Group unveiled the new "Piaggio1" generation of electric scooters, subsequently displayed at the Beijing show, combining all the latest trends in urban and metropolitan mobility.

On 22 July Immsi S.p.A. announced that Pietra S.r.l. (77.78% owned by Immsi and 22.22% by Intesa Sanpaolo S.p.A.) had signed a preliminary agreement with Polifin S.p.A. (a holding company owned by the Bosatelli family) for sale of all its shares in Pietra Ligure S.r.l. for a total of 30 million euro.

On 29 July 2021 Immsi S.p.A. signed an agreement with Mediocredito Centrale for a 20 million euro loan to be paid in instalments amortised quarterly, with a final repayment deadline of July 2026.

On 5 August Piaggio Fast Forward (PFF), a robotics company in the Piaggio Group based in Boston which is a leader in following technology, announced development of its new sensor technology for implementation on domestic and industrial robots as well as scooters and motorcycles. The first security platform based on Imaging Radar 4D technology for scooters and motorcycles was developed by PFF with Vayyar Imaging, supplier of Radar-on-Chip technology.

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Outlook

Although the complexity of providing guidance remains, given the uncertainty over the evolution of the pandemic in the coming months of 2021, and a number of additional critical areas have emerged such as a widespread increase in raw materials costs and difficulties in the logistics of transportation, particularly in the Far East, the **Immsi Group** will continue to work to meet its commitments and targets, maintaining all the necessary measures to ensure a flexible and immediate response to any difficult and unexpected situations that might arise, thanks to careful and efficient business and financial management.

In the **Industrial Sector**, the Piaggio Group will continue with completion of the launch of 11 two-wheeled models planned for 2021, and everything necessary for the more significant investments announced at the start of the year, such as the new E-mobility department, the new plant in Indonesia and complete renovation of the Moto Guzzi production site and museum.

In the **Naval Sector**, despite continuing uncertainty, advances in production work on contracts will continue as well as commercial operations in all the company's areas of business. Intermarine is also involved in a number of negotiations, in the Defence sector in particular, to win new orders that would enable it to expand its order book and consequently guarantee conditions allowing it to optimise its production capacity over the coming years. The company will also pursue every opportunity to contain direct and indirect costs.

In the **Real Estate and Tourism-Hospitality Sector** a gradual return to normality is expected, and the Is Molas S.p.A. subsidiary is therefore moving ahead with commercial operations to identify possible domestic and international buyers.

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The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, pursuant to paragraph 2 of art. 154-*bis* of the Consolidated Law on Financial Intermediation, that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

This press release may contain forward-looking statements relating to future events and Immsi Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

This press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Immsi Group 2020 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. Specifically, the following alternative performance indicators are used:

- EBITDA: earnings before amortisation and depreciation and impairment losses on property, plant and equipment, intangible assets, and rights of use, as reflected in the income statement;
- Net financial debt: this reflects financial liabilities (current and non-current) including liabilities for rights of use, less cash and cash equivalents, and other financial receivables (current and non-current). Determination of net financial debt does not include other financial assets and liabilities arising from measurement at fair value, derivatives designated or not as hedges, fair value adjustments of the related hedged items, related accruals, interest accrued on loans and financial liabilities relating to discontinued operations. The schedules in the Immsi Group Interim Report on Operations to 30 June 2021 include a table illustrating the composition of net financial debt prepared in accordance with the requirements of the ESMA 2021 / 32-382-1138 Guidelines, highlighting the items contributing to determination of this indicator. In this regard, note that the indicator, as determined by the Group, differs from the ESMA Guidelines referred to above in that it also includes the non-current portion of financial receivables, where applicable.

In drawing up the Interim Report on Operations as at and for the six months to 30 June 2021, the Immsi Group applied the same accounting policies as those used to draw up the Report on Operations and Financial Statements as at and for the year ended 31 December 2020.

Immsi S.p.A. said that the Interim Report on Operations as at and for the six months to 30 June 2021 will be available to the public at the company’s registered office, in the “eMarket STORAGE” authorised storage mechanism at www.emarketstorage.com and on the issuer’s website www.immsi.it (section “Investors/Financial Reports/2021”) as required by law.

The Immsi Group reclassified consolidated income statement, reclassified consolidated statement of financial position and consolidated statement of cash flows are set out below. In compliance with the Instructions to the Regulation for Markets organised and managed by Borsa Italiana S.p.A. section IA.2.6, the reclassified schedules are not subject to auditing by the independent auditors.

For further information:

Immsi Group Press Office
Director Diego Rancati
Via Broletto, 13 - 20121 Milan - Italy
Tel. +39 02.319612.19
E-mail: diego.rancati@immsi.it;

Immsi Group Investor Relations
Andrea Paroli
P.zza Vilfredo Pareto, 3
46100 Mantua (IT)
Tel. +39.0376.2541

Image Building
Tel. +39 02 89011300
E-mail: immsi@imagebuilding.it

** SCHEDULES FOLLOW **

Immsi Group reclassified consolidated income statement

In thousands of euro	30.06.2021		30.06.2020		Change	
Net sales	920,681	100%	629,945	100%	290,736	46.2%
Cost of materials	560,404	60.9%	375,996	59.7%	184,408	49.0%
Cost of services and use of third-party assets	145,433	15.8%	98,697	15.7%	46,736	47.4%
Employee expense	134,606	14.6%	111,218	17.7%	23,388	21.0%
Other operating income	76,183	8.3%	51,720	8.2%	24,463	47.3%
Impairment reversals (losses) net of trade and other receivables	-1,299	-0.1%	-1,277	-0.2%	-22	-1.7%
Other operating expense	14,527	1.6%	10,832	1.7%	3,695	34.1%
EBITDA	140,595	15.3%	83,645	13.3%	56,950	68.1%
Depreciation and impairment of property, plant and equipment	27,955	3.0%	25,171	4.0%	2,784	11.1%
Goodwill impairment	0	-	0	-	0	-
Amortisation and impairment of intangible assets with finite lifespan	38,583	4.2%	35,474	5.6%	3,109	8.8%
EBIT	74,057	8.0%	23,000	3.7%	51,057	222.0%
Results of associates	412	0.0%	564	0.1%	-152	-
Finance income	12,031	1.3%	14,108	2.2%	-2,077	-14.7%
Finance costs	30,906	3.4%	32,471	5.2%	-1,565	-4.8%
PROFIT BEFORE TAX	55,594	6.0%	5,201	0.8%	50,393	968.9%
Income tax	24,367	2.6%	4,329	0.7%	20,038	462.9%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	31,227	3.4%	872	0.1%	30,355	3481.1%
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	31,227	3.4%	872	0.1%	30,355	3481.1%
Minority interests	16,581	1.8%	-638	-0.1%	17,219	2698.9%
GROUP PROFIT (LOSS) FOR THE PERIOD	14,646	1.6%	1,510	0.2%	13,136	869.9%

Immsi Group reclassified consolidated statement of financial position

In thousands of euro	30.06.2021		31.12.2020		30.06.2020	
		in %		in %		in %
Current assets:						
Cash and cash equivalents	232,935	10.3%	249,886	11.7%	179,910	8.4%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	611,390	27.0%	447,339	21.0%	558,128	26.1%
Total current assets	844,325	37.2%	697,225	32.8%	738,038	34.6%
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	875,945	38.6%	866,099	40.7%	848,889	39.7%
Property, plant, equipment	336,530	14.8%	336,850	15.8%	332,267	15.6%
Other assets	211,241	9.3%	227,731	10.7%	216,553	10.1%
Total non-current assets	1,423,716	62.8%	1,430,680	67.2%	1,397,709	65.4%
TOTAL ASSETS	2,268,041	100.0%	2,127,905	100.0%	2,135,747	100.0%
Current liabilities:						
Financial liabilities	485,374	21.4%	481,273	22.6%	455,470	21.3%
Operating liabilities	764,253	33.7%	629,755	29.6%	612,110	28.7%
Total current liabilities	1,249,627	55.1%	1,111,028	52.2%	1,067,580	50.0%
Non-current liabilities:						
Financial liabilities	539,889	23.8%	571,517	26.9%	623,212	29.2%
Other non-current liabilities	83,695	3.7%	83,411	3.9%	85,896	4.0%
Total non-current liabilities	623,584	27.5%	654,928	30.8%	709,108	33.2%
TOTAL LIABILITIES	1,873,211	82.6%	1,765,956	83.0%	1,776,688	83.2%
TOTAL SHAREHOLDERS' EQUITY	394,830	17.4%	361,949	17.0%	359,059	16.8%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,268,041	100.0%	2,127,905	100.0%	2,135,747	100.0%

Immsi Group consolidated statement of cash flows

	30.06.2021	30.06.2020
<i>Operating assets</i>		
Profit before tax	55,594	5,201
Depreciation of tangible assets (including investment property)	27,955	25,171
Amortisation of intangible assets	38,583	35,474
Provision for risks, severance liabilities and similar obligations	12,692	8,145
Impairment losses/(Reversals of impairment losses to fair value)	1,300	3,184
Losses / (Gains) on the sale of tangible assets (including investment property)	(46)	2
Finance income	(577)	(861)
Finance costs	21,556	22,414
Amortisation of public grants	(1,922)	(2,387)
Share of pre-tax results of associates (and other equity-accounted companies)	(433)	(564)
<i>Change in working capital:</i>		
(Increase) / Decrease in trade receivables and other receivables	(80,915)	(45,517)
(Increase) / Decrease in inventories	(72,734)	(28,372)
Increase / (Decrease) in trade payables and other payables	127,703	(14,161)
(Increase) / Decrease in contract work in progress	3,062	(4,094)
(Increase) / Decrease in provisions for risks	(11,035)	(5,699)
(Increase) / Decrease in provisions for severance liabilities and similar obligations	(6,338)	(5,689)
Other movements	(3,319)	3,560
<i>Cash generated by operating activities</i>	111,126	(4,193)
Interest expense paid	(17,718)	(17,262)
Tax paid	(11,291)	(11,189)
<i>Cash flow relating to operating activities</i>	82,117	(32,644)
<i>Investing activities</i>		
Acquisition of subsidiaries, net of cash and cash equivalents	(53)	(217)
Investment in tangible assets (including investment property)	(22,711)	(18,204)
Sale price or redemption value of tangible assets (including investment property)	5,627	250
Investment in intangible assets	(47,919)	(36,284)
Sale price or redemption value of intangible assets	57	5
Interest collected	306	146
Other cash flows on discontinued operations	108	91
Public grants collected	889	796
<i>Cash flow relating to investing activities</i>	(63,696)	(53,417)
<i>Financing activities</i>		
Loans received	99,653	126,147
Outflow for loan repayments	(126,784)	(57,904)
Reimbursement of rights of use	(6,271)	(4,370)
Outflow for dividends paid to Minority Shareholders	(4,622)	(9,779)
<i>Cash flow relating to financing activities</i>	(38,024)	54,094
<i>Increase / (Decrease) in cash and cash equivalents</i>	(19,603)	(31,967)
<i>Opening balance</i>	248,699	212,055
Exchange differences	3,839	(178)
<i>Closing balance</i>	232,935	179,910