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Testo del comunicato

Vedi allegato

PRESS RELEASE

THE BOARD OF PIRELLI & C. SPA REVIEWED CONSOLIDATED RESULTS TO 30 SEPTEMBER 2024

PIRELLI: 2024 TARGETS CONFIRMED

REVENUES INCREASE THANKS TO VOLUMES (+2.2%) AND PRICE/MIX (+2.7%) SUPPORTED BY THE PERFORMANCE OF HIGH VALUE

ADJUSTED EBIT MARGIN RISES TO 15.7%, NET CASH FLOW IMPROVED YEAR OVER YEAR

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IN THE THIRD QUARTER REVENUES INCREASE WITH VOLUMES (+3.0%) AND PRICE/MIX (+2.5%)

ADJUSTED EBIT MARGIN RISES TO 15.9%, NET CASH FLOW BEFORE DIVIDENDS +162.4 MLN

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Nine months 2024

- Revenues at 5,184.5 million with organic growth of 4.9% (excluding forex impact at -4.4%), +0.5% compared with the first nine months of 2023 including effect of forex
- Further strengthening of High Value (76% of sales, 74% in first nine months of 2023)
- Volumes: +2.2% supported by the performance of High Value
- Price/Mix: +2.7% mainly thanks to improvement of the product mix
- Adjusted Ebit: 815.9 million euro, growth of +4.3% compared with the first nine months of 2023 thanks to the solid commercial performance (volumes and price/mix) and efficiencies
- Adjusted Ebit margin rose to 15.7% (15.2% in first nine months of 2023)
- Net profit 371.1 million euro (411.0 million in the first nine months of 2023 which included the positive impacts of around 40 million euro linked to the Patent Box for the 3-year period 2020-2022)
- Net cash flow before dividends: -356.8 million euro, an improvement compared with -367.7 million in the first nine months of 2023
- Net Financial Position: -2,816.2 million euro (-2,978.0 million on 30 June 2024 and -2,261.7 million on 31 December 2023)
- SBTi validates targets for Net Zero by 2040, the most ambitious of the tyre sector

Third quarter 2024

- Revenues at 1,737.0 million euro with organic growth of 5.5% (excluding forex effect at -4.7%), +0.8% compared with 1,722.7 million euro in third quarter of 2023
- Volumes: +3.0% thanks to the marked growth of High Value

- **Price/Mix: +2.5% thanks to improvement of the product mix**

- **Adjusted Ebit: 276.8 million euro, an increase of +4.4% compared with the third quarter of 2023 thanks to the performances of volumes, price/mix and efficiencies**

- **Adjusted Ebit margin rose to 15.9% (15.4% in the third quarter of 2023)**

- **Net profit: +139.8 million euro (+168.4 million euro in the third quarter of 2023 which included positive impacts of 40 million euro linked to the patent box for 2020-2022)**

- **Net cash flow before dividends: +162.4 million euro (+167.2 million euro in the third quarter of 2023)**

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2024 TARGETS

- **2024 Targets announced in August confirmed**

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- **Decision to call ordinary and extraordinary shareholders' meeting to modify by-laws**

- **Calendar of 2025 company events approved**

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Milan, 7 November 2024 – The Board of Directors of Pirelli & C. Spa met today and approved results to 30 September 2024 which show a solid operating performance, notwithstanding the difficult external context, confirming the effectiveness of the business model and of the key programs of the Industrial Plan.

In detail:

- **Commercial Program**
  The first nine months of 2024 saw further strengthening of **High Value.**
  In Car ≥18” volumes’ growth was +7% (market +5%), with an increase of market share both in the Replacement channel (Pirelli volumes +8% compared with market’s +7%) and Original Equipment (Pirelli volumes +5% compared with market’s +1%).
  There was a further reduction of the exposure to **Standard** (-6% Pirelli Car ≤17” volumes compared with a flat market), in line with the strategy of greater selectivity.

The performance described above translates into **total growth of +2% in Car volumes (market +1%) in the first nine months of 2024.** In the **third quarter of 2024 the performance of Pirelli Car volumes** was above the market’s (Pirelli volumes +2%, market stable) thanks to the over performance of Car ≥18’’ (Pirelli +7% compared with market’s +3%) both in Original Equipment (Pirelli +10% Pirelli compared with flat market) – where Pirelli benefitted from a favourable comparison with the prior year and exposure to Premium Chinese makers of electric vehicles – and the Replacement channel (Pirelli +6% compared with market’s +5%), also thanks to the sales performance of Pirelli Winter in Europe.

- **Innovation Program**
  In the first nine months of 2024 Pirelli obtained around 230 new homologations with the main Prestige and Premium car makers, principally focused on **rim sizes ≥19”** and **Specialties.** In electric, Pirelli counts a portfolio of around 730 homologations at the global level and a market share of 30% among Premium EV producers. In addition, homologations are progressing with the main Prestige car makers.
  In terms of product innovation, the offering was reinforced with the launch of **5 Car products, one of which are at the global level** (PZero Winter 2) and **4 at the regional level** (Cinturato AS SF3, Powergy All Season and Winter in Europe, Scorpion MS in Apac). Further, the two-wheel offering was broadened with the Scorpion Trial III in moto and the PZero Race TLR RS in Cycling.
  In September, Pirelli signed a strategic agreement with Bosch GmbH to develop new software-

based solutions and driving functionality thanks to sensors installed in tyres and proprietary Pirelli software, with the aim of supplying useful information to the car to improve driving safety and efficiency more and more.

- **Operations Program**
  In the first nine months of 2024, the company registered gross efficiencies of 108.2 million euro (about 77% of the annual target), in line with expectations and the projects' development time. At the industrial level, factory saturation reached around 87% (95% in High Value). The decarbonization program also continues through the use of renewable energy sources and energy efficiency programs. Finally, the company continued to implement its programs for automation and the reduction of energy consumption.

In the first nine months of 2024 Pirelli saw growth of the main economic indicators.

Revenues were 5,184.5 million euro, an increase of 0.5% compared with the first nine months of 2023 and with organic growth of +4.9% (impact of forex and hyperinflation in Argentina and Turkiye -4.4%). High Value represented 76% of total sales (74% in the first nine months of 2023).

In the **third quarter of 2024** revenues were 1,737.0 million euro, an increase of 0.8% compared to the same period in 2023. Organic revenue growth was +5.5% (impact of forex and hyperinflation in Argentina and Turkiye -4.7%).

(euro millions)	Revenue performance by quarter							
	1 QTR 2024	1 QTR 2023	2 QTR 2024	2 QTR 2023	3 QTR 2024	3 QTR 2023	9 MOS 2024	9 MOS 2023
Revenues *Variation y/y* *Organic variation y/y*	**1,695.5** *-0.2%* *+4.6%*	**1,699.7**	**1,752.0** *+0.8%* *+4.5%*	**1,737.8**	**1,737.0** *+0.8%* *+5.5%*	**1,722.7**	**5,184.5** *+0.5%* *+4.9%*	**5,160.2**

The performance of **volumes** in the **first nine months of 2024** was positive +2.2% thanks to the focus on High Value and the gradual reduction of exposure to the Standard segment.

In the **third quarter of 2024 volumes** registered growth of +3.0%, an improvement compared with the first quarter (+2.3%) and the second quarter (+1.2%) thanks to the marked growth of High Value.

Revenue variants	1 QTR 2024	2 QTR 2024	3 QTR 2024	9 MOS 2024
Volumes	+2.3%	+1.2%	+3.0%	+2.2%
Price/Mix	+2.3%	+3.3%	+2.5%	+2.7%
Variation on like-for-like basis	+4.6%	+4.5%	+5.5%	+4.9%
Forex/Argentina-Turkiye hyper-inflation	-4.8%	-3.7%	-4.7%	-4.4%
Total variation y/y	**-0.2%**	**+0.8%**	**+0.8%**	**+0.5%**

In the first nine months the **price/mix** posted an increase of +2.7% mainly because of the improvement of the product mix and greater exposure to High Value. In the **third quarter of 2024** the **price/mix** was +2.5%.
The forex effect in the **first nine months of 2024** had a negative impact of -4.4% because of the volatility of emerging country currencies against the euro. In the **third quarter of 2024** the forex effect was negative -4.7%.

Profitability

Profitability *(euro millions)*	2024				2023
	1 QTR	2 QTR	3 QTR	9 MOS	9 MOS
Adjusted Ebitda	376.3	392.0	388.7	1,157.0	1,115.8
% of sales	*22.2%*	*22.4%*	*22.4%*	*22.3%*	*21.6%*
Ebitda	368.6	384.1	381.5	1,134.2	1,086.9
% of sales	*21.7%*	*21.9%*	*22.0%*	*21.9%*	*21.1%*
Adjusted Ebit	262.6	276.5	276.8	815.9	782.5
% of sales	*15.5%*	*15.8%*	*15.9%*	*15.7%*	*15.2%*
Ebit	226.5	240.1	241.2	707.8	668.3
% of sales	*13.4%*	*13.7%*	*13.9%*	*13.7%*	*13.0%*

Adjusted Ebitda in the first nine months of 2024 was 1,157.0 million euro, an increase of 3.7% compared with 1,115.8 million euro in the same period of 2023.

Adjusted Ebit in the first nine months of 2024 was 815.9 million euro, an improvement of 33.4 million euro compared with 782.5 million euro in the same period of 2023, with an adjusted Ebit margin improving to 15.7% (15.2% in the first nine months of 2023) thanks to the contribution of internal levers.
Ebit Adjusted principally reflects:
- The **positive** contribution **of price/mix** (+91.4 million euro) and **volumes** (+44.8 million euro);
- The **positive effect of efficiencies** (+108.2 million euro) that substantially offset the **inflation of input costs** (-109.2 million euro);
- The **positive contribution of raw materials** (+19.7 million euro) which contributed to offsetting the **negativity of forex** (-70.5 million euro).

Depreaciations and Amortizations had a negative effect (-17.8 million euro) as well as **other costs** (-33.2 million euro), mainly linked to marketing activities, R&D and inventory reduction.

In the **third quarter of 2024 adjusted Ebit** was 276.8 million euro, an increase of +4.4% compared with 265.1 million euro in the third quarter of 2023, with the **margin improving** to 15.9% (15.4% in the third quarter of 2023) thanks to the growth of **volumes** (+21.2 million euro), contribution of **price/mix** (+31.0 million euro) and **efficiencies** (+36.8 million di euro) which more than offset the negative impact of **raw materials** (-16.6 million euro), **inflation** (-40.9 million euro) and **forex** (-8.2 million euro). The impact of depreciations and **amortizations was negative** (-3.7 million euro) as well as **other costs** (-7.9 million euro).

Ebit in the first nine months of 2024 was 707.8 million euro, an increase of 39.5 million euro compared with 668.3 million euro in the first nine months of 2023 and include **amortizations of intangible assets** identified in the context of PPA of 85.3 million euro (in line with the first nine months of 2023) and **one-off, non-recurring and restructuring charges and other** of 22.8 million euro (-28.9 million in the same period of 2023).

The **result from equity investments** was +22.5 million euro (+8.9 million euro in the first nine months of 2023).

Net financial charges in the first nine months of 2024 were 225.5 million euro, compared with 150.2 million euro in the first nine months of 2023. The value for the first nine months of 2024 includes negativity of around 65 million euro linked to the phenomena of devaluation and hype-inflation, without impact on cash generation.

On 30 September 2024 the **cost of debt**, calculated as the average of the last twelve months, stood at 5.15% (5.29% on 30 June 2024 and 5.08% on 31 December 2023).

Fiscal charges in the first nine months of 2024 came to 133.7 million euro, compared with 116.0 million in the first nine months of 2023 which included benefits from the patent box for the 3-year period 2020-2022 of around 40 million euro.

Net profit in the first nine months of **2024** was 371.1 million euro (411.0 million euro in the first nine months of 2023) and reflects on the one hand – as mentioned earlier – the positive effects on profit in the first nine months of 2023 of around 40 million euro linked to the Patent Box for the 3-year period 2020-2022 and, on the other, the impacts in the first nine months of 2024 linked to hyper-inflation.

In the **third quarter of 2024 net profit** was 139.8 million euro (168.4 million euro in the third quarter of 2023 which included the positive impact of around 40 million euro linked to the Patent Box for the 3-year period 2020-2022).

Net cash flow before dividends in the first nine months of 2024 was -356.8 million euro, an improvement of 10.9 million compared with -367.7 million in the first nine months of 2023 (an improvement of about 33 million euro excluding the impact of the acquisition of Hevea-Tec finalized in the first quarter of 2024).

Net cash flow from operations in the first nine months of 2024 was positive for 32.7 million euro compared with -30.5 million euro in the first nine months of 2023. These variations reflect:

- The improvement in Adjusted Ebitda compared with prior year;
- Tangible and intangible investments of 235.7 million euro in the first nine months of 2024 (201.2 million in the first nine months of 2023) mainly devoted to High Value, the technological upgrade and automation of the factories;
- "increases in rights of use" linked to new leasing contracts of 89.2 million euro (69.1 million euro in the first nine months of 2023).
- Lower cash absorption linked to "working capital and other" of 76.6 million euro (to -799.4 million euro in the first nine months of 2024 from -876.0 million in the first nine months of 2023) thanks to the careful management of inventory (20.1% weight of revenues in the last 12 months), the usual seasonality of trade receivables (15.5% of revenues in the last 12 months) and trade payables (23.4% of revenues in the last 12 months).

In the **third quarter of 2024**, the **net cash flow before dividends** was positive 162.4 million euro substantially in line with the third quarter of 2023 (167.2 million euro), notwithstanding greater investment of 14.4 million euro (to 92.1 million euro in the third quarter of 2024 compared with 77.7 million in the third quarter of 2023) and greater "increases in the rights of use" of 20.3 million euro (to 47.8 mil euro in the third quarter of 2024 from 27.5 million euro in the same period of 2023).

The **net financial position on 30 September 2024** was -2,816.2 million euro (-2,978.0 million on 30 June 2024 and -2,261.7 million euro on 31 December 2023).

The liquidity margin on 30 September 2024 was 2,448.0 million euro and guarantees the coverage of debt maturities with banks and other financiers until the fourth quarter of 2028.

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2024 TARGETS

(euro billions)	August 2024	November 2024
Revenues	~6.6÷~6.8	~6.7
Adjusted Ebit Margin	~15.5%	~15.5%
Investments *(% of revenues)*	~0.40 ~6%	~0.40 ~6%
Net cash flow before dividends	~0.50÷~0.52	~0.50÷~0.52
Net financial position *NFP/Adjusted Ebitda.*	~ -1.95 *~1.32x÷~1.26x*	~ -1.95 *~1.32x÷~1.26x*
ROIC *post taxes*	~21%	~21%

MARKET OUTLOOK

The outlook for the 2024 Car **global tyre** market is confirmed “flat” compared with 2023.
High Value remains the most resilient segment, with a growth estimate of “mid-single digit” levels and around 6 percentage points higher compared with the expected performance of Standard, foreseen as falling 1%.
In particular, the estimates for the Car ≥18’’ market are:

- **Original Equipment** volumes are expected to grow “low-single digit” mainly thanks to demand in the Apac area;
- **Replacement** volumes are expected to grow “mid-single digit”, led by demand in all the High Value regions.

In the Standard ≤17” segment demand is expected to be weaker compared with the previous year, because of a weaker Original Equipment market and a slightly lower Replacement market in the main Standard regions.

2024 TARGETS

Following the results achieved in the first nine months and the expected context, Pirelli confirms all the targets announced on 1 August 2024. The forecasts for 2024 are:

- **Revenues** expected at **around 6.7 billion euro** (target indicated to August 2024 was ~6.6 / 6.8 billion euro) with:
    - **volumes at ~+2%** (previous estimate ~+1.5% / ~+2.5%);
    - **price/mix improvement** to **~+2.5%** (at the high end of the previous indication of +2% / ~+2.5%) thanks to the continuous improvement of the product mix;
    - **forex impact expected at ~-4% / ~-3.5%** (previous indication -4%/-3%).

- **Adjusted Ebit Margin** confirmed at **around 15.5%.**

- **Net cash generation before dividends confirmed at between ~500 and ~520 million** euro thanks to the operating performance and management of working capital.

- **Investments confirmed** at around 400 million euro (~6% of revenues).

- **Net financial position** confirmed at **~-1.95 billion euro**, with an **NFP/ Adjusted Ebitda ratio confirmed** at between ~1.32 /~1.26 volte.

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Progress of the sustainability plan

In the third quarter of 2024, the Science Based Targets initiative (SBTi) approved Pirelli's short-term and long-term targets for the reduction of absolute greenhouse gas emissions (GHG), announced last March at the presentation of the updated 2024-2025 Industrial Plan. In particular, SBTi – which defines and promotes best practice, based on scientific factors, for emissions' reduction – validated Pirelli's *"long term"* targets for Net Zero by 2040, the most ambitious among tyre makers, that is for the reduction of absolute greenhouse gas emissions of Scopes 1, 2 and 3[1] by at least 90% compared with the reference year 2018. These actions were judged to be in line with the Paris Accord to keep global warming below 1.5°C.

SBTi also approved near-term decarbonization targets which foresee the reduction by 80% of absolute greenhouse gas emissions (Scopes 1 and 2) by 2030 compared with 2018 and by 30% for emissions stemming from the purchasing of raw materials, services and transportation by 2030 compared with 2018 (Scope 3).

Note that all the sustainability targets foreseen in the Plan, presented in the first quarter of 2024 with targets to 2025-2030-2040 and which stands on four fundamental pillars - *People, Climate, Product and Nature* – together with the results obtained in the previous quarters of 2024, can be found in the dedicated pages on the Industrial Plan in the *"Investors"* section of www.pirelli.com

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Shareholders' Meeting

The Board of Directors has decided to call for 12 December 2024 – in sole call – the shareholders' meeting in extraordinary and ordinary session.

In extraordinary session the Shareholders' Meeting will be called on to approve the following proposals of modification to the Bylaws linked to the introduction of:

- the possibility that intervention at the shareholders' meeting and exercise of the right to vote may take place, following the decision of the Board of Directors, exclusively through the designated representative in accordance with article 135-undecies of Legislative Decree 58/1998;
- provision that the attestation of conformity of the sustainability report in accordance with Legislative Decree 6 September 2024, no. 125 can be provided, where nominated, by a subject other than the manager designated for the preparation of the company's accounting documents.

In ordinary session the Shareholders' Meeting will be called on to update the Shareholders' Regulation because of the above modification regarding interventions at shareholders' meetings and the exercise of voting rights and, therefore, subordinated to their approval.

More information on the above will be available in the Board of Directors' reports and documents published ahead of the shareholders' meeting.

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[1] ***Scope 1****: direct greenhouse effect gas emissions coming from the direct combustion of fossil fuels within the perimeter of the organization.*
Scope 2*: indirect emissions of greenhouse effect gases deriving from use of electricity, heat and steam imported and consumed by the organization within its confines.*
Scope 3*: indirect emissions linked to activities upstream or downstream from company operations, calculated according to the GHG Protocol and in line with SBTi requirements.*

Calendar of 2025 company events

The calendar of Board and Shareholder activities for 2025 follows:

26 February 2025: Board of Directors to review preliminary results to 31 December 2024;

26 March 2025: Board of Directors to approve draft results and consolidated results to 31 December 2024;

14 May 2025: Board of Directors to approve intermediate results to 31 March 2025;

27 May 2025 (*): Shareholders' Meeting to approve results to 31 December 2024;

31 July 2025: Board of Directors to approve six-month results to 30 June 2025;

6 November 2025: Board of Directors to approve intermediate results to 30 September 2025.

In continuation with the practice adopted to date and with the aim of ensuring continuity of information to the market, also in 2025 Pirelli – on a voluntary basis and in the time and manner already communicated to the market – will continue to communicate additional periodic, quarterly financial information as per article 82-*ter* of Consob Regulation 11971/99.

Eventual changes to the calendar of 2025 company events will be communicated to the market in a timely manner.

(*) In compliance with the dispositions of Borsa Italiana note – taking into account the date indicated for the shareholders' meeting – that the dividend payment relative to the year 2024, where decided, would take place in the months of June 2025. The present announcement does not represent in any way a prediction in relation to the existence of the prerequisites for the distribution of a dividend to be valid for the current year and is only released solely for the purpose of complying with the rules foreseen by Borsa Italiana.

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The intermediate report on operations to 30 September 2024 will be publicly available today, at the Company's legal headquarters, as well as published on the Company website (www.pirelli.com) and eMarket Storage (www.emarketstorage.com).

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Conference call

The results to 30 September 2024 will be illustrated today, 7 November 2024, at 6.30 pm at a conference call with the participation of the **Executive Vice Chairman** of Pirelli, **Marco Tronchetti Provera**, the **CEO, Andrea Casaluci**, and the top management. Reporters 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 - in real time – at www.pirelli.com in the Investor section, where the slides will also be displayed.

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The Manager Indicated for the preparation of the 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 documented results, books and accounting scripts.

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Pirelli – Economic data to 30 September 2024

(in millions of euro)	**01/01 - 09/30/2024**	**01/01 - 09/30/2023**
Net sales	**5,184.5**	**5,160.2**
EBITDA adjusted (°)	**1,157.0**	**1,115.8**
% of net sales	22.3%	21.6%
EBITDA	**1,134.2**	**1,086.9**
% of net sales	21.9%	21.1%
EBIT adjusted	**815.9**	**782.5**
% of net sales	15.7%	15.2%
Adjustments: - amortisation of intangible assets included in PPA	(85.3)	(85.3)
- one-off, non-recurring and restructuring expenses	(22.8)	(28.9)
EBIT	**707.8**	**668.3**
% of net sales	13.7%	13.0%
Net income/(loss) from equity investments	22.5	8.9
Financial income/(expenses)	(225.5)	(150.2)
Net income/(loss) before taxes	**504.8**	**527.0**
Taxes	(133.7)	(116.0)
Tax rate %	26.5%	22.0%
Net income/(loss)	**371.1**	**411.0**
Net income/(loss) attributable to owners of the Parent Company	346.4	393.0
Earnings/(loss) per share (in euro per basic share)	0.35	0.39
Net income/(loss) adjusted	448.4	453.1

(°) The adjustments refer to one-off, non-recurring and restructuring expenses to the amount of euro 22.8 million (euro 28.9 million for the first nine months of 2023).

Pirelli – Balance sheet to 30 September 2024

(in millions of euro)		**09/30/2024**	**12/31/2023**	**09/30/2023**
Fixed assets		**8,664.7**	**8,812.1**	**8,804.7**
	Inventories	1,342.7	1,371.4	1,376.3
	Trade receivables	1,032.0	649.4	1,092.7
	Trade payables	(1,562.8)	(1,999.4)	(1,484.3)
Operating net working capital		**811.9**	**21.4**	**984.7**
% of net sales (*)		12.2%	0.3%	14.6%
	Other receivables/other payables	78.7	45.8	57.9
Net working capital		**890.6**	**67.2**	**1,042.6**
% of net sales (*)		13.3%	1.0%	15.5%
Net invested capital		**9,555.3**	**8,879.3**	**9,847.3**
Equity		**5,709.1**	**5,619.6**	**5,632.0**
Provisions		1,030.0	998.0	1,077.2
Net financial (liquidity)/debt position		**2,816.2**	**2,261.7**	**3,138.1**
Equity attributable to owners of the Parent Company		5,566.2	5,494.4	5,504.8
Investments in intangible and owned tangible assets (CapEx)		235.7	405.7	201.2
Increases in right of use		89.2	101.2	69.1
Research and development expenses		219.6	288.5	218.2
% of net sales		4.2%	4.3%	4.2%
Research and development expenses - High Value		206.8	269.4	202.8
% of High Value sales		5.2%	5.4%	5.3%
Employees (headcount at end of period)		31,358	31,072	31,213
Tyre production sites (number)		18	18	18

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

Cashflow Statement

(in millions of euro)	1 Q		2 Q		3Q		cumulative at 09/30	
	2024	2023	2024	2023	2024	2023	2024	2023
EBIT adjusted	262.6	248.1	276.5	269.3	276.8	265.1	815.9	782.5
Amortisation and depreciation (excluding PPA amortisation)	113.7	111.6	115.5	110.1	111.9	111.6	341.1	333.3
Investments in intangible and owned tangible assets (CapEx)	(53.4)	(53.2)	(90.2)	(70.3)	(92.1)	(77.7)	(235.7)	(201.2)
Increases in right of use	(15.3)	(15.1)	(26.1)	(26.5)	(47.8)	(27.5)	(89.2)	(69.1)
Change in working capital and other	(845.8)	(868.8)	(16.9)	(6.8)	63.3	(0.4)	(799.4)	(876.0)
Operating net cash flow	**(538.2)**	**(577.4)**	**258.8**	**275.8**	**312.1**	**271.1**	**32.7**	**(30.5)**
Financial income / (expenses) paid	(63.2)	(60.2)	(45.7)	(58.1)	(70.9)	(49.3)	(179.8)	(167.6)
Taxes paid	(24.7)	(29.0)	(44.8)	(32.3)	(48.0)	(43.8)	(117.5)	(105.1)
Cash-out for one-off, non-recurring and restructuring expenses	(20.4)	(12.6)	(9.5)	(10.2)	(6.9)	(8.8)	(36.8)	(31.6)
Dividends paid to minority shareholders	(1.3)	-	(5.2)	(3.9)	-	0.3	(6.5)	(3.6)
Differences from foreign currency translation and other	(2.6)	(12.2)	0.1	(14.8)	(24.0)	(2.3)	(26.5)	(29.3)
Net cash flow before dividends, extraordinary transactions and investments	**(650.4)**	**(691.4)**	**153.7**	**156.5**	**162.3**	**167.2**	**(334.4)**	**(367.7)**
Hevea-Tec acquisition	(23.0)	-	0.5	-	0.8	-	(21.7)	-
Other extraordinary transactions	-	-	-	-	(0.7)	-	(0.7)	-
Net cash flow before dividends paid by the Parent Company	**(673.4)**	**(691.4)**	**154.2**	**156.5**	**162.4**	**167.2**	**(356.8)**	**(367.7)**
Dividends paid by the Parent Company	-	-	(197.1)	-	(0.6)	(217.8)	(197.7)	(217.8)
Net cash flow	**(673.4)**	**(691.4)**	**(42.9)**	**156.5**	**161.8**	**(50.6)**	**(554.5)**	**(585.5)**

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) published on October 5, 2015. These measures are presented in order 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;
- **EBITDA 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 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:** is 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 intangible and owned tangible 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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