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Testo del comunicato

Vedi allegato

PRESS RELEASE

PIRELLI: 2024 RESULTS APPROVED

BOARD WILL PROPOSE TO THE SHAREHOLDERS' MEETING THE DISTRIBUTION OF A DIVIDEND PER SHARE OF 0.25 EURO FOR 2024 (0.198 EURO FOR 2023) FOR A TOTAL OF 250 MILLION EURO

SINOCHEM GROUP'S CONTROL OVER PIRELLI ENDS IN ACCORDANCE WITH IFRS 10 ACCOUNTING PRINCIPLE, WITH A MAJORITY VOTE

DIALOGUE WITH THE MAIN SHAREHOLDERS CONTINUES TO ALIGN GOVERNANCE WITH USA REGULATIONS

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Milan, 28 April 2025 – The Board of Directors of Pirelli & C. Spa met today and majority approved results to 31 December 2024 with the favourable vote of 9 out of 15 board members. Votes against were the one of Chairman Jiao Jian and the Directors Chen Aihua, Zhang Haitao, Chen Qian and Fan Xiaohua, while Director Grace Tang abstained.

The financial report, upon the proposal of the Chief Executive Officer Andrea Casaluci, contains the disclosure according to which **following the issuance of the DPCM Golden Power, the control of MPI Italy (and, therefore, of Sinochem) over Pirelli has ended pursuant to the IFRS 10. At the same time, Pirelli, pursuant to the afore mentioned accounting principle, is not subject to the control of any entity.**

The verification of the existence of control by the Sinochem Group, through Marco Polo Italy (MPI Italy) was raised by the board of statutory auditors and management following the issuance of the DPCM Golden Power and the theme was analyzed in depth with the support of auditing and primary law firms. The decision was also taken in compliance with Consob's provision which had returned the relevant evaluation to the Board of Directors to be conducted through the application of the IFRS 10 international accounting principle. The board members who expressed a contrary vote, or abstained, were motivated in their dissent solely with regard to the declaration of the end of Sinochem's control of Pirelli, in accordance with the IFRS10, disagreeing with the relative motivations, also in consideration of the fact that the shareholder pact between Camfin and CNRC/MPI Italy is still in force and that, in their opinion, therefore CNRC/MPI Italy maintains control over Pirelli in accordance with article 93 of the TUF.

The management notes that the decision regarding the absence of control of the shareholder Sinochem represents a first, but not decisive, step on the path to the necessary adjustment of company governance to regulatory constraints in the USA, a key market in the High Value tyre segment and for the development and distribution of Cyber Tyre technology. Management therefore reaffirmed it will continue its dialogue with the main shareholders to align Pirelli's governance with American regulations, particularly regarding connected vehicles, in the interests of the company and all its stakeholders.

2024 Financial Results

Full-year 2024, the unaudited and preliminary results of which were communicated to the market on 26 February 2025, closed with a consolidated net profit of 501.1 million euro, an increase of 1% compared with 495.9 million euro in 2023, and revenues increasing by 1.9% to 6,773.3 million euro. The year also saw a further improvement in the group's sustainability performance: for more details refer to the press release of 26 February 2025.

The Board today also approved the results of the Parent Company Pirelli & C. Spa which in 2024 posted a net profit of 302.0 million euro, an increase of 24.3% compared with 242.9 million euro in 2023. The Board, in line with the dividend policy of the 2024-2025 Industrial Plan Update, which for 2024 called for the distribution equal to around 50% of the consolidated net result, will propose to the shareholders' meeting the distribution of a dividend of 0.25 euro per share (0.198 euro per share for 2023) for an overall total of 250 million euro.

The dividend for 2024 will be paid from 25 June 2025 (coupon detachment 23 June 2025 and record 24 June 2025).

2025 Targets

Pirelli confirms – in view of the high level of uncertainty surrounding US tariffs – the targets communicated to the market on 26 February 2025. The company has already defined a mitigation plan for the impact of USA tariffs, should the measures currently announced come into effect, with the aim of guaranteeing the Adjusted Ebit target and cash generation at the lower end of guidance, therefore achieving the deleveraging target.

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Management incentive plan (LTI)

The Board of Directors of Pirelli today approved the structure of the monetary LTI plan for the 3-year period 2025-2027 ("**25-27 LTI Plan**"). The medium-long term incentive plan for Pirelli's management has a rolling structure with goals defined at the start of every 3-year cycle to guarantee the alignment of company targets and the incentive scheme, in line with the corresponding targets of the industrial plans presented to the market. In particular, for the 25-27 LTI Plan the targets for Group Net Cash Flow and CO_2 Emission Reduction to obtain the "*target*" incentive will be in line with that which will be communicated to the market at the conclusion of the strategic planning process.

The 25-27 LTI Plan foresees the following targets:

- *Total Shareholder Return* (TSR) relative, with a weight of 40% of the LTI premium compared with Tier 1 peers;
- *Group Net Cash Flow* cumulative (before dividends), with a weight of 35% of the LTI premium;
- Position of Pirelli in the *Dow Jones Sustainability World Index ATX Auto Component sector*, with a weight of 10% of the LTI premium;
- *CO_2 Emissions Reduction*, with a weight of 15% pf the LTI premium.

The 25-27 LTI Plan, as shown above, entails two targets linked to the sustainability area and is also based on the performance of Pirelli shares (so-called TSR) compared with peers, thus permitting the alignment of management's interests with those of shareholders.

The 25-27 LTI Plan, as in the past, is self-financed, in that the relative burdens are included in the economic data of the industrial plans. Its eventual payment will take place in the first half of 2028.

Participants in the 25-27 LTI Plan include, among others, the Executive Vice Chairman of Pirelli & C. Marco Tronchetti Provera, Chief Executive Officer Andrea Casaluci, General Manager Corporate Francesco Tanzi and managers qualified by the Board as "Key Managers". The 25-27 LTI is also directed to group Senior Managers and Executives.

The 25-27 LTI Plan was decided also in accordance with article 2389 of the Italian civil code, upon the proposal of the Remuneration Committee, with the favourable opinion of the Statutory Auditors in relation to subjects for whom such opinion is requested. Further, the 25-27 LTI Plan is included in the remuneration policy which will be submitted for approval to the shareholders' meeting called to approve the annual financial report to 31 December 2024, with the 25-27 LTI Plan, for the part linked to TSR, also being submitted to the same shareholders' meeting.

For more information on the 25-27 LTI Plan, refer to the illustrative Report and information document which will be available to the public, in the terms and manner called for by current laws.

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Shareholders' Meeting

The shareholders' meeting is expected to take place in ordinary session, sole call, on 12 June 2025 to:
- approve results for the year 2024 and connected decisions with regard to the dividend distribution;
- approve Policy regarding remuneration and, for the part linked to *Total Shareholder Return*, the adoption of the medium-long term monetary incentive plan for the 3-year period 2025-2027 (25-27 LTI Plan) destined to group management;
- express position, with a consultative vote, on the compensation paid relative to the year 2024.

The shareholders' meeting will also be presented with the annual "Report on company governance and ownership structures".

More information on the above will be available in the Board of Director's illustrative report and documents published in view of the Shareholders' Meeting.

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The file of the 2024 financial report, which will be available to the public in the manner and terms required by law, will contain the Consolidated Sustainability Report, prepared according to the prescriptions of legislative Decree of 6 September 2024, no. 125, which incorporated the (EU) Directive no. 2022/2464 - Corporate Sustainability Reporting Directive ("CSRD").

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Significant events after 2024

For the significant events that followed 31 December 2024, refer to the dedicated section in the results file in the company website www.pirelli.com.

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Bond issues

In accordance with the dispositions of Borsa Italiana, the Company announces that to June 2024 it has placed with institutional investors a *sustainability-linked bond* (guaranteed by Pirelli Tyre S.p.A.) for a total nominal value of 600 million euro with maturity in July 2029 and with a coupon of 3.875%. The bonds are listed on the Luxembourg stock exchange. It should be noted, in addition, that December 2025 will see the maturity of the 500-million-euro equity-linked bond loan denominated "*EUR 500 million Senior Unsecured Guaranteed Equity-linked Bonds due 2025".*

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The Manager indicated for the preparation of the company 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 the present press release corresponds the documentary, book and accounting script results.

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Pirelli – Economic data to 31 December 2024

(in millions of euro)	**2024**	**2023**
Net sales	**6.773,3**	**6.650,1**
EBITDA adjusted (°)	**1.519,5**	**1.446,1**
% of net sales	22,4%	21,7%
EBITDA	**1.475,7**	**1.366,3**
% of net sales	21,8%	20,5%
EBIT adjusted	**1.060,5**	**1.001,8**
% of net sales	15,7%	15,1%
Adjustments: - amortisation of intangible assets included in PPA	(113,7)	(113,7)
- one-off, non-recurring and restructuring expenses	(43,8)	(79,8)
EBIT	**903,0**	**808,3**
% of net sales	13,3%	12,2%
Net income/(loss) from equity investments	31,4	15,9
Financial income/(expenses)	(286,6)	(194,1)
Net income/(loss) before taxes	**647,8**	**630,1**
Taxes	(146,7)	(134,2)
Tax rate %	22,6%	21,3%
Net income/(loss)	**501,1**	**495,9**
Net income/(loss) attributable to owners of the Parent Company	468,0	479,1
Earnings/(loss) per share (in euro per basic share)	0,47	0,48
Net income/(loss) adjusted	613,5	595,4

(°) The adjustments refer to one-off non-recurring and restructuring expenses to the amount of euro 43.8 million (euro 79.8 million for 2023).

Pirelli – Balance sheet to 31 December 2024

(in milioni di euro)	**31/12/2024**	**31/12/2023**
Attività fisse	**8.771,6**	**8.812,1**
Rimanenze	1.467,7	1.371,4
Crediti commerciali	622,9	649,4
Debiti commerciali	(2.081,6)	(1.999,4)
Capitale circolante netto operativo	**9,0**	**21,4**
% su vendite	0,1%	0,3%
Altri crediti/altri debiti	42,2	45,8
Capitale circolante netto	**51,2**	**67,2**
% su vendite	0,8%	1,0%
Capitale netto investito	**8.822,8**	**8.879,3**
Patrimonio netto	**5.912,3**	**5.619,6**
Fondi	984,7	998,0
Posizione finanziaria netta (attiva)/passiva	**1.925,8**	**2.261,7**
Patrimonio netto di pertinenza della Capogruppo	5.756,1	5.494,4
Investimenti in immobilizzazioni materiali di proprietà e immateriali (Capex)	414,9	405,7
Incrementi diritti d'uso	118,8	101,2
Spese di ricerca e sviluppo	289,5	288,5
% su vendite	4,3%	4,3%
Spese di ricerca e sviluppo High Value	272,8	269,4
% su vendite high value	5,3%	5,4%
Organico (a fine periodo)	31.219	31.072
Siti produttivi tyre n.	18	18

Cash flow statement

(in millions of euro)		12/31/2024	12/31/2023
Fixed assets		**8.771,6**	**8.812,1**
	Inventories	1.467,7	1.371,4
	Trade receivables	622,9	649,4
	Trade payables	(2.081,6)	(1.999,4)
Operating net working capital		**9,0**	**21,4**
% of net sales		0,1%	0,3%
	Other receivables/other payables	42,2	45,8
Net working capital		**51,2**	**67,2**
% of net sales		0,8%	1,0%
Net invested capital		**8.822,8**	**8.879,3**
Equity		**5.912,3**	**5.619,6**
Provisions		984,7	998,0
Net financial (liquidity)/debt position		**1.925,8**	**2.261,7**
Equity attributable to owners of the Parent Company		5.756,1	5.494,4
Investments in intangible and owned tangible assets (CapEx)		414,9	405,7
Increases in right of use		118,8	101,2
Research and development expenses		289,5	288,5
% of net sales		4,3%	4,3%
Research and development expenses - High Value		272,8	269,4
% of High Value sales		5,3%	5,4%
Employees (headcount at end of period)		31.219	31.072
Tyre production sites (number)		18	18

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 Guidelines) 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;
- **EBIT 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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