



POWER IS NOTHING WITHOUT CONTROL

1Q 2025 Results

Milan

May 14th, 2025



POWER IS NOTHING WITHOUT CONTROL

Agenda

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1Q 2025 KEY MESSAGES

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PIRELLI & C. – 1Q 2025 RESULTS

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FY 2025 OUTLOOK AND TARGETS

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Key messages

» 1Q'25 results confirming the strength of our strategy in a very challenging external scenario:

- Organic growth (+4.7% yoy) driven by solid commercial performance:
 - market share gain in ≥18" Replacement across regions
 - solid price/mix (+3.9% yoy) supported by mix enhancement and OE indexation clauses
- Profitability improvement driven by internal levers, with efficiencies fully covering inflation
- Cash flow trend in line with business seasonality

» FY 2025 outlook and targets confirmed

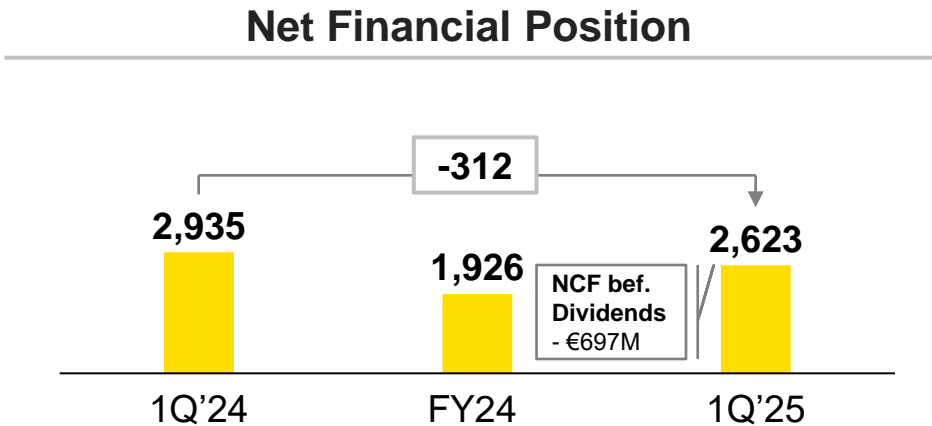
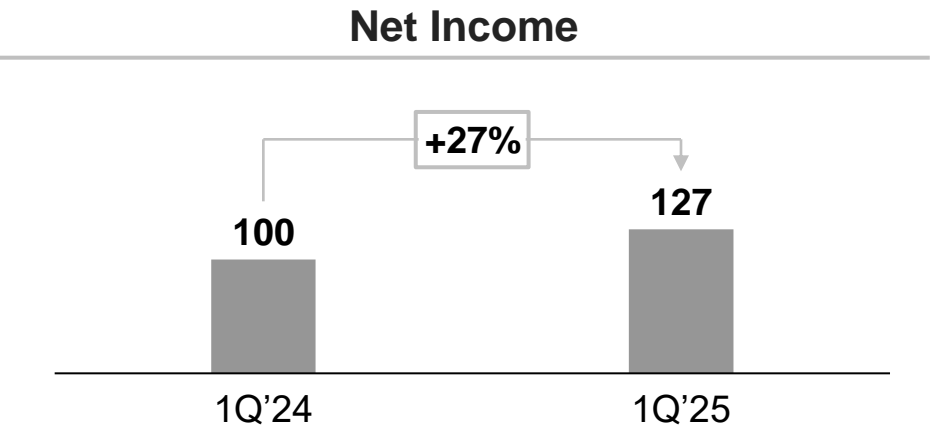
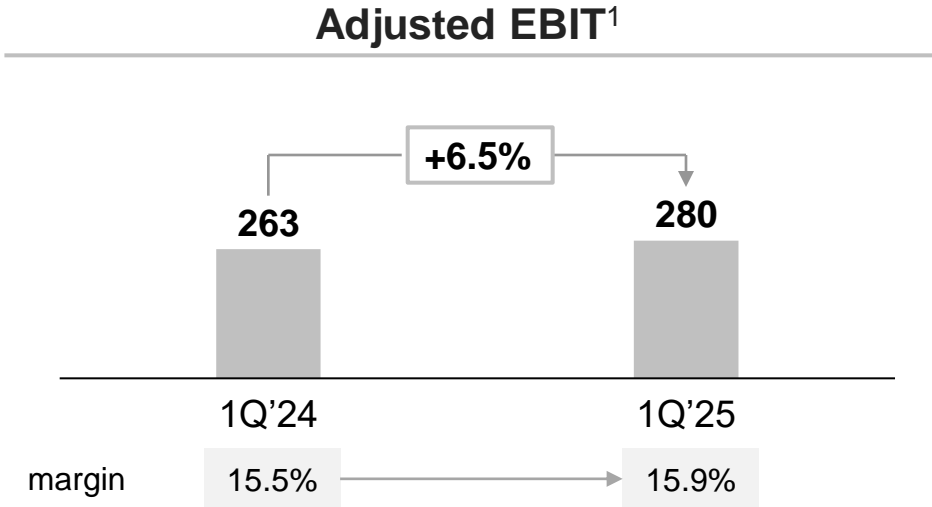
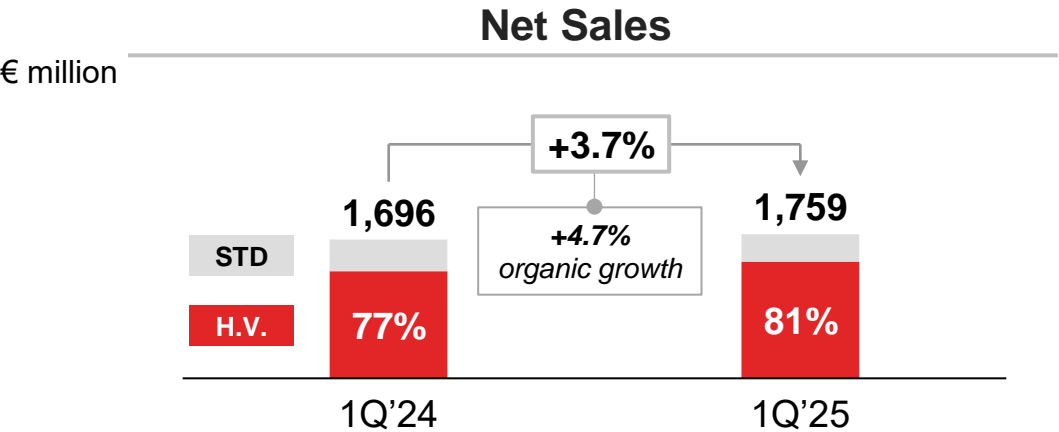
- Despite the current environment, Consumer Demand still holding with High Value outperforming Standard
- High level of uncertainty on tariffs due to the ongoing international negotiations with the US administration
- A mitigation plan is already in place to guarantee - should current tariffs be maintained for the full year - the Adjusted Ebit target and cash generation at the lower end of guidance, therefore achieving the deleveraging target

» Governance update

- The negotiations with major shareholders have concluded, at present without a positive outcome
- Pirelli remains confident to find a solution to comply with US regulation

1Q 2025 results highlights

Solid operating performance, improving in all metrics



1. before amortization of PPA, non-recurring items, restructuring costs & other adjustments



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1Q 2025 Strategic programs delivery



COMMERCIAL



Global H.V. leadership further strengthened



Car ≥18" (OE+Repl): +5% Pirelli vs +4% Mkt



Mkt share gain in HV Replacement supported by OE pull-through and new Replacement lines



Partnership with CTS to strengthen Nordics distribution



INNOVATION



New products & award wins



2 products launched for Car and 2 for Motorcycle



Award-winning products in both Car & Moto (Cinturato C3, Cinturato SF3 and Diablo Supercorsa V4 SP)



Cyber Tyre



OEMs new engagement for the development of integration project



Partnership with **Movyon** for road surface monitoring



OPERATIONS



Increasing efficiencies



€25M gross savings, in line with programs seasonality



Improving operations and environmental footprint



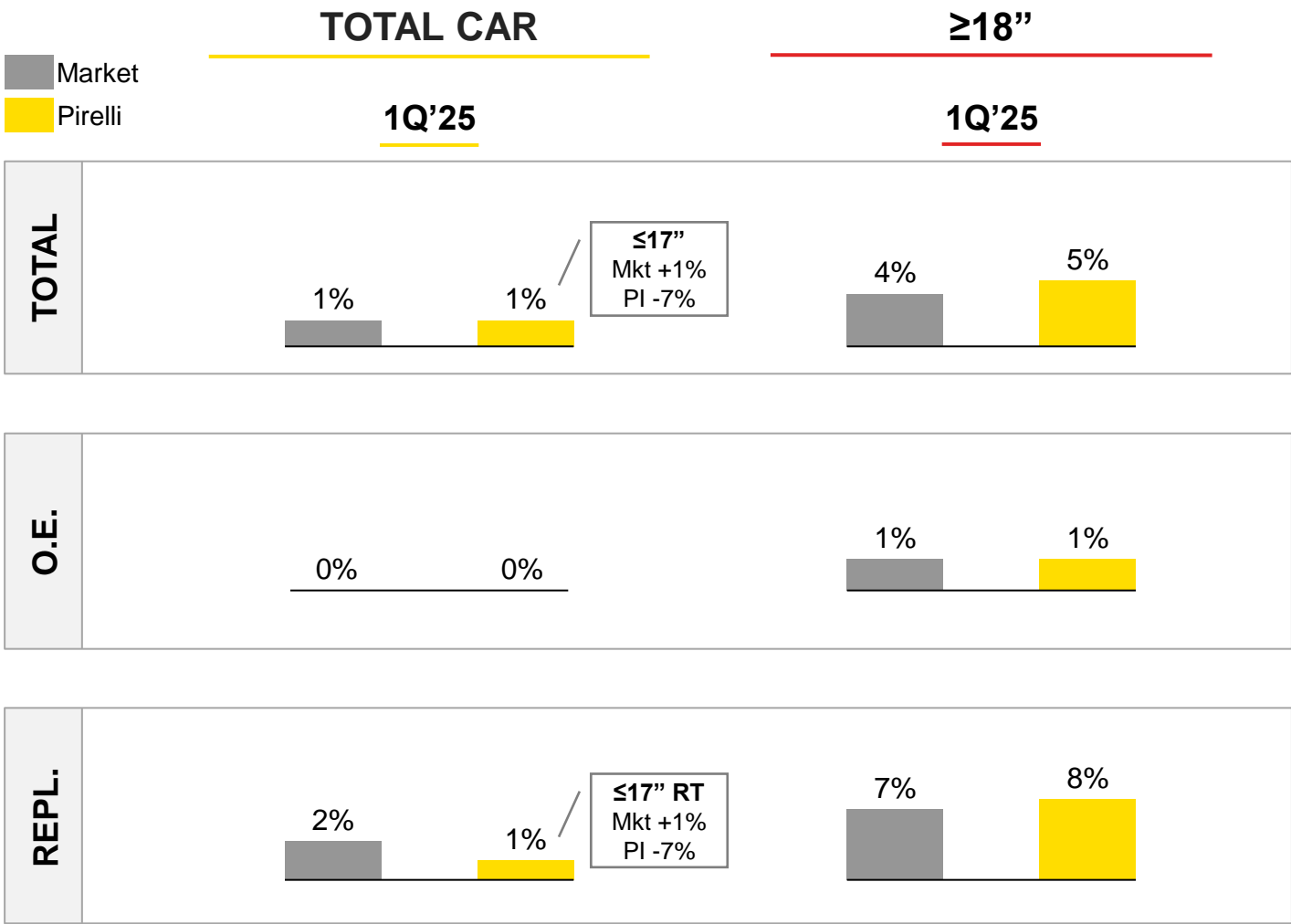
~91% capacity utilization



Plant decarbonization progressing through the electrification of curing presses

Commercial Program 1Q25

Share gain in HV Replacement, lower exposure to Standard driven by mix improvement strategy in South America



1Q'25 HIGHLIGHTS

MARKET

- **Total:** positive 1Q'25 trend driven by Replacement. Global OE flat, impacted by weak car production in EU and NA.
- **HV:** overperformed in 1Q'25, supported by high single-digit growth in Replacement

PIRELLI PERFORMANCE

High Value:

- Replacement: Market share gain across regions
- OE: 1Q'25 trend discounting demand slowdown in EU/NA and a tough YoY comparison in China

Standard:

- 1Q'25 underperformance (Pirelli -7% vs +1% mkt) mainly due to our more selective strategy in South America



Innovation Program 1Q 2025: 4 new HV product lines, boosting the performance level



New Car Products



New **Cinturato™**

The summer tyre designed for Premium cars

- » Excellent braking performance
- » 'A' rating on wet across the entire range
- » 20% mileage increase & lower rolling resistance



"Strong dry performance, excellent dry handling and impressive wet performance"



SCORPION™ XTM AT

Establishing new level of performance in All Terrain segment

- » Tailored for both ICE and NEV trucks
- » Extreme off-road performance and on-road stability
- » High mileage and durability



3PMSF rating



New Motorcycle Products



Intended for performance cruiser motorcycles

- » Custom-touring tyre with a sporty attitude
- » Excellent handling and grip even in wet conditions.
- » Slick shoulder for better grip in dry conditions

Result of experience in the **SBK SUPERBIKE**



SCORPION™ MX32™ MID SOFT

The champions tyre for mid-soft terrains









- » New front for greater braking and easier cornering
- » Rear with increased traction out of turns
- » Enlarged versatility also on mid-hard pack

Result of experience in the **MXGP**



Efficiencies program 1Q 2025

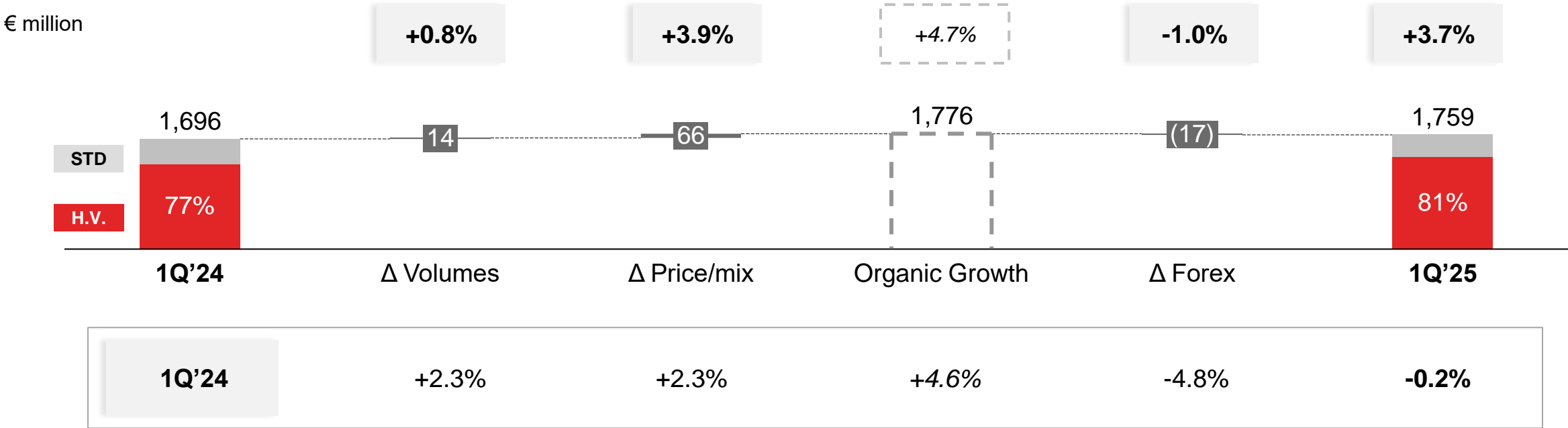
In line with expectations and programs seasonality

		FY 2025 GUI	1Q 2025	MAIN PROJECTS
	Product Cost		<i>accelerating from Q2</i>	» Design Modularity (tyre structure, weight and cost optimization).
	Manufacturing		<i>~20% of FY</i>	» High tech automation solutions in finishing, handling and material flow » Digital solutions to increase productivity, quality and flexibility » Energy efficiency through curing electrification and B.E.M.S. ¹
	SG&A		<i>~30% of FY</i>	» Warehouse efficiencies and distribution optimization » Supplier base rationalization and centralization
	Organization		<i>~35% of FY</i>	» Upskilling and change in the mix of competencies
Total Gross Impact		~€150M	~16% of FY	

1. Building Energy Management System

1Q 2025 Sales bridge

Mid single-digit organic growth supported by a solid commercial performance



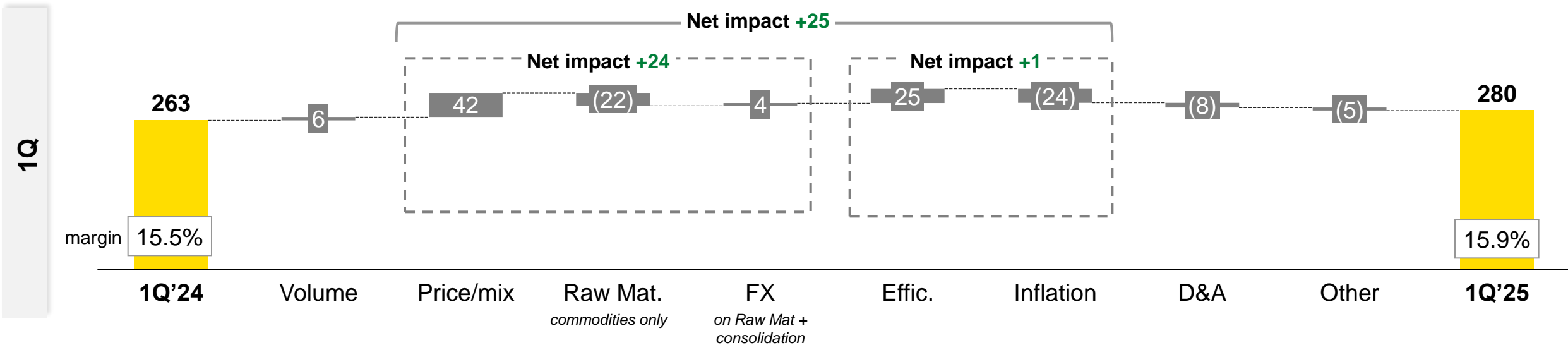
>> **Volumes:** positive performance supported by HV growth, whereas reducing exposure to Standard

>> **Price/Mix** improvement driven by consistent product mix enhancement and slight price contribution (indexation clauses)

>> **Forex** trend in 1Q discounting both USD appreciation and depreciation of emerging markets' currencies

1Q 2025 Adjusted EBIT

Profitability improvement driven by internal levers, more than offsetting raw materials & input costs headwinds



» **Price Mix** more than offsetting Raw Materials headwind, mainly Natural Rubber and Oil

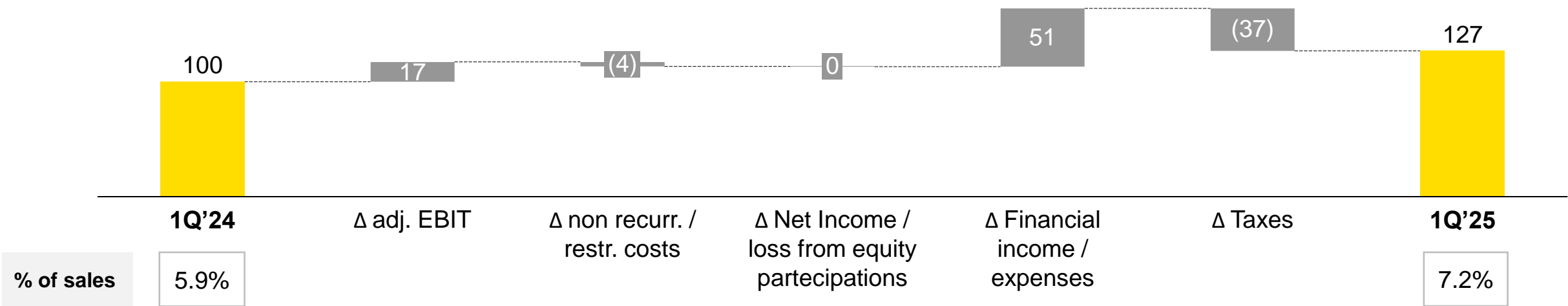
» **Efficiencies are progressing** in line with expectations and programs seasonality, fully offsetting inflation impact

» **FX** positive impact mainly linked to Mexican peso depreciation and USD appreciation

1Q 2025 Net Income

Earnings growth thanks to higher operating performance and lower financial expenses, partially offset by higher taxes

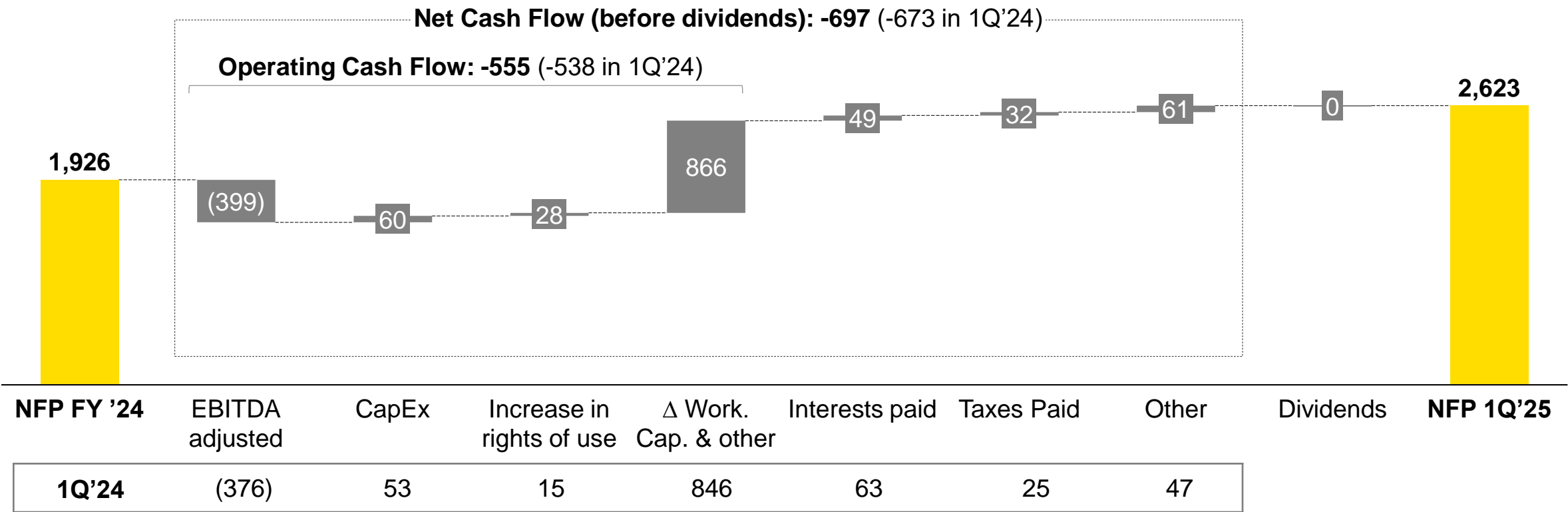
€ million



- >> **Financial Income & Expenses:** for a total -€59M (-€110M in 1Q'24) including -€6M non-cash impact (-€46M in 1Q'24) linked to forex and hyperinflation
- >> **Taxes:** higher than 1Q'24 which was benefitting from positive effect of tax litigation settlement in addition to Patent Box incentive

1Q 2025 Net Financial Position

Net Cash Flow in line with business seasonality



>> **Inventory** at ~22.0% (vs 21.4% in 1Q'24 and 21.7% FY24), discounting higher mix inventory build-up in US in light of announced tariffs

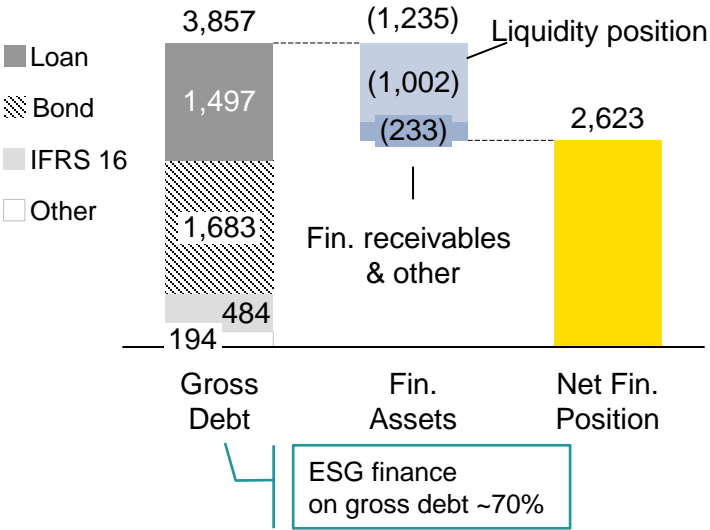
>> **Receivables** at ~14.6% and **Payables** at ~23.5% in line with business seasonality

Gross Debt structure as of March 31th 2025

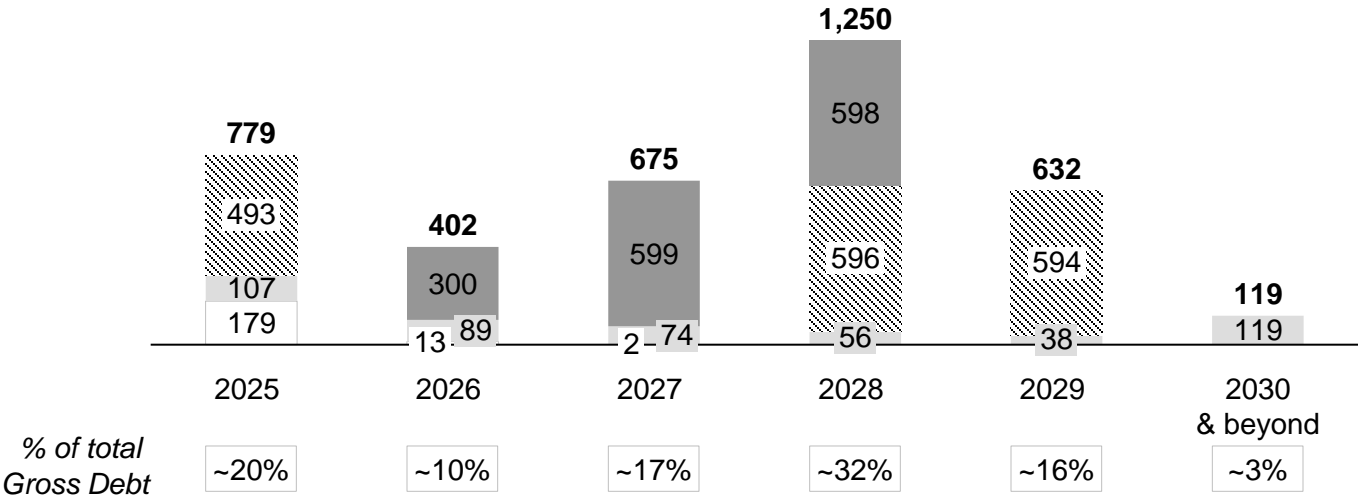
Liquidity margin covers 3.5 years of debt maturity protecting the company in current volatile markets.
ESG linked financings on track with 2025 targets

€ million

Net Financial Position



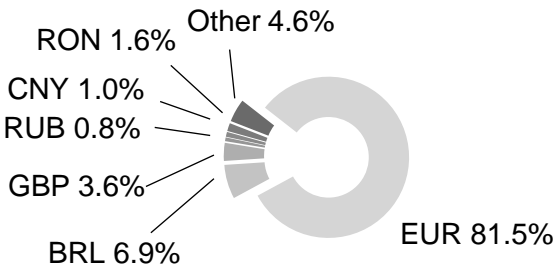
Gross Debt maturity



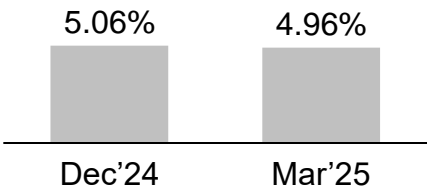
Liquidity profile

Liquidity position ¹	1,002
Committed lines not drawn	1,500
Liquidity margin	2,502

Break-down by currency²



Cost of debt (last 12 months)





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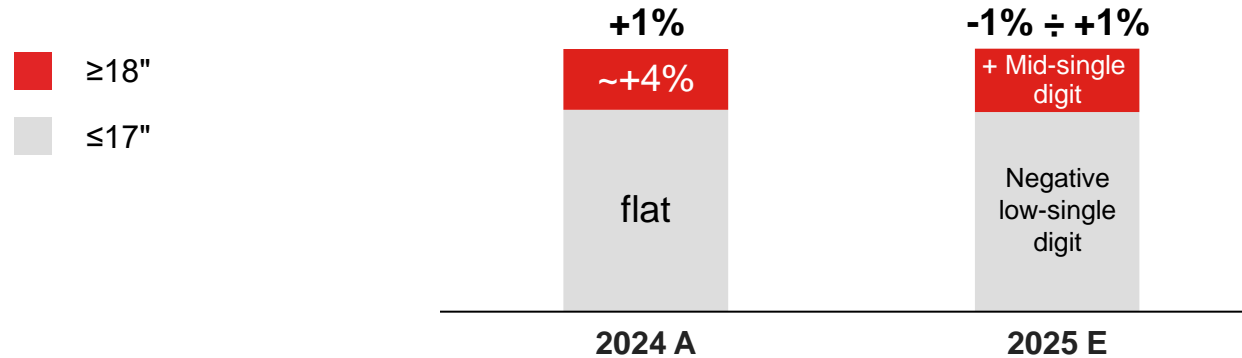
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Car Tyre demand in 2025: outlook confirmed

Replacement Consumer Demand still holding. Potential impact of GDP slowdown to be monitored

Global car tyre market

YoY % growth



- » **OE:** declines low-single digit due to weak car production in EU & North America
 - » **REPLACEMENT:** flat / slightly positive in EU, slightly negative in North America and China
-
- » **Car $\geq 18''$:** mid-single digit demand for Replacement, while OE still weak
 - » **Car $\leq 17''$:** demand declines YoY both on OE & Replacement

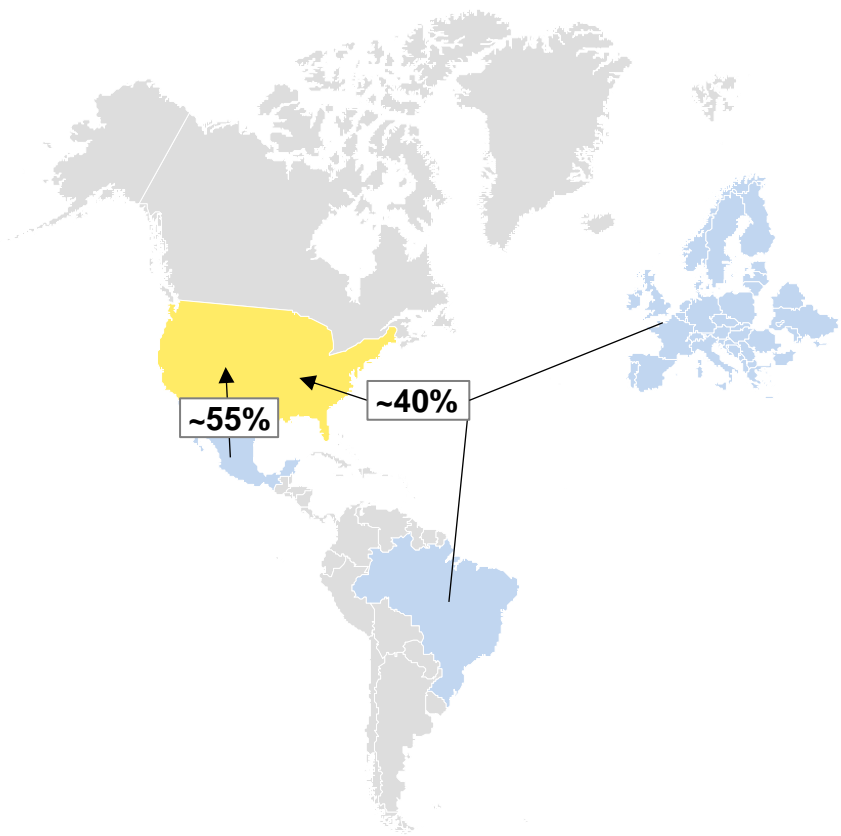
Pirelli expects to gain share on High Value, while keeping on reducing exposure to Standard

Pirelli in US: update on tariffs and mitigation plan



PIRELLI IN US - KEY FIGURES

- >> >20% of group Revenues, mainly High Value
- >> Georgia **high-tech plant**

US IMPORT FLOWS



TARIFFS introduced by the US administration (as of May 14th 2025)

 CAR	25% from EU and Brazil from May 3 rd Assessing US-UK agreement Mexico exempt being USMCA compliant
 2 WHEELS	Universal tariffs from April 5 th (10% on avg. with the exception of China) Reciprocal duties (with % defined by countries) under discussion and suspended until July 9th

MITIGATION PLAN



Operations
Import flows and inventory optimization



US commercial agreements review



Cost cutting
Crash program at Group level

FY 2025 Targets confirmed

€ billion

	2024	2025
	<i>Actual</i>	<i>Guidance</i>
Net Sales	6.77	~ 6.8 ÷ 7.0
Adj. EBIT Margin	15.7%	~ 16%
CapEx <i>% of Sales</i>	0.42 6.1%	~ 0.42 ~ 6%
Net Cash Flow <i>bef. Dividends</i>	0.53	~ 0.55 ÷ 0.57
Net Financial Position <i>NFP / adj. EBITDA</i>	1.93 1.27x	~ 1.6 ~ 1.0x
ROIC*	23.2%	~ 23%

Volumes: ~ +1% ÷ +2%
Price/Mix: ~ +2% ÷ +3%
Forex: ~ -2.5% ÷ -1.5%

The US tariff scenario is still evolving, with negotiations going on between the US and its major commercial partners. The impact and duration of duties remain uncertain. Should current tariffs be maintained for the full year, a mitigation plan is already in place to guarantee the Adj. Ebit and cash generation targets at the lower end of the guidance, therefore achieving the deleveraging target.

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Economic results summary

	1Q 2025	1Q 2024	Δ YoY
Net Sales	1,758.6	1,695.5	+3.7%
<i>Organic variation</i>			+4.7%
adjusted EBITDA¹	399.0	376.3	+6.0%
<i>% of net sales</i>	22.7%	22.2%	+0.5 p.p
reported EBITDA	387.5	368.6	+5.1%
<i>% of net sales</i>	22.0%	21.7%	+0.3 p.p
adjusted EBIT¹	279.8	262.6	+6.5%
<i>% of net sales</i>	15.9%	15.5%	+0.4 p.p
reported EBIT	239.9	226.5	+5.9%
<i>% of net sales</i>	13.6%	13.4%	+0.2 p.p
Net income / (loss) from equity investments	5.8	6.0	-3.3%
Financial income / (expenses)	(59.5)	(110.1)	-46.0%
EBT	186.2	122.4	+52.1%
Taxes	(59.0)	(22.0)	<i>n.m.</i>
Tax rate %	-31.7%	-18.0%	
Net Income / (loss)	127.2	100.4	+26.7%
Earnings / (loss) per share (€ per share)	0.12	0.09	
Net income / (loss) adjusted	155.6	126.2	

Consolidated Balance Sheet





€ million

	31/03/2025	31/12/2024	31/03/2024
Fixed assets	8,723.1	8,771.6	8,826.3
Net working capital	889.7	51.2	982.9
<i>% of net sales</i>	<i>13.0%</i>	<i>0.8%</i>	<i>14.8%</i>
Total net invested capital	9,612.8	8,822.8	9,809.2
Equity	6,013.1	5,912.3	5,868.7
Provisions	977.2	984.7	1,005.4
Net financial position	2,622.5	1,925.8	2,935.1
Total financing and shareholders' equity	9,612.8	8,822.8	9,809.2
Attributable net equity	5,842.4	5,756.1	5,734.5
Total net financial debt¹	2,730.4	2,034.4	3,063.5

Net Cash Flow

€ million	1Q 2025	1Q 2024
Adjusted Operating income (EBIT)	279.8	262.6
Amortiz. & depreciations (excl. PPA amortiz.)	119.2	113.7
Investments in tangible and intangible assets (Capex)	(60.0)	(53.4)
Increase in right of use	(28.3)	(15.3)
Change in working capital/other	(865.7)	(845.8)
Operating Cash Flow	(555.0)	(538.2)
Financial income/(expenses) paid	(49.1)	(63.2)
Taxes paid	(31.6)	(24.7)
Cash-out for non recurring items and restructuring costs / other	(12.6)	(20.4)
Dividend paid to minorities	0.0	(1.3)
Exchange rates difference/other	(29.8)	(2.6)
Net Cash Flow before extr. oper. / equity transactions / divid.	(678.1)	(650.4)
Extraordinary operations	(18.6)	(23.0)
Net Cash Flow before dividends	(696.7)	(673.4)
Dividends paid by Parent	0.0	0.0
Net Cash Flow	(696.7)	(673.4)

Sustainability: delivering on Plan targets*

				2023	2024	2025	2030			
PEOPLE 	Safety first	» Towards zero accident at work	Accident Frequency Index ¹	1.69	1.41	~1	<1			
	Engagement & Retention	» leveraging on employees listening and experience	Global Sustainable engagement Index	83%	83%	≥80% constantly	≥80% constantly			
CLIMATE 	NET ZERO @2040 (Scope 1+2+3, SBTi approved)	» 95.6% of electricity purchased from the grid is renewable	CO ₂ absolute emissions Scope 1+2 ²	-45.0% vs 2018	-57.1% vs 2018	-60% vs 2018	-80% vs 2018 CARBON NEUTRALITY	NET ZERO 2040 SBTi approved		
		» Primary data available covering >90% of RM suppliers' total emissions	CO ₂ absolute emissions Scope 3 ²	-25.0% vs 2018	-26.2% vs 2018	-27% vs 2018	-30% vs 2018			
PRODUCT 	Efficiency & Safety	» reducing rolling resistance, never compromising on safety	Volumes A+B (Rolling Resistance and Wet Grip)	29.8%	34.5%	35%	>50%			
	Bio-based & Recycled	» material innovation to increase non-fossil origin: PZERO E ³ , our lighthouse on the market:	Best product available on the market ³	55.5% ³	58.5% ³	>70%	>80%			
NATURE 	Freshwater	» reducing dependency and preserving water quality	Specific water withdrawal High water stress areas All group sites	-30.8% vs 2015 -45.3% vs 2015	-34.6% vs 2015 -51.4% vs 2015	-36% vs 2015	-45% vs 2015 -60% vs 2015			
	Biodiversity	» Biodiversity action Plan covering the five IPBES ⁴ drivers	% on all Pirelli Industrial sites & track test areas	-	55%	100%	100%			

* Full Pirelli sustainability plan and targets available on [pirelli.com](https://www.pirelli.com); Full Plan targets performances 2024 available in Pirelli Sustainability Statement (CSRD) 2024



1. Frequency Index(FI): $\Sigma(\text{Fatalities} + \text{Serious lost time injuries} + \text{Lost time injuries}) \times 1,000,000 / \text{worked hours}$ If calculated based on 200,000 hours worked, Index 2024 is 0.28, ~ 0.2 @2025 and <0.2 @2030; 2. Science Based Targets initiative (SBTi) approved; 3. PZERO E measure 255/50R20 - IPcode 42871 - thanks to a combination of physical segregation and mass balance approach. Bio-based materials are natural rubber, textile reinforcements, bio-chemicals, bio-resins and lignin, while recycled materials are metallic reinforcements, chemicals and - through mass balance - synthetic rubber, silica and carbon black; 4. Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) – Five Drivers are: resources exploitation, pollution, invasive species, climate change, land/water/sea use change.

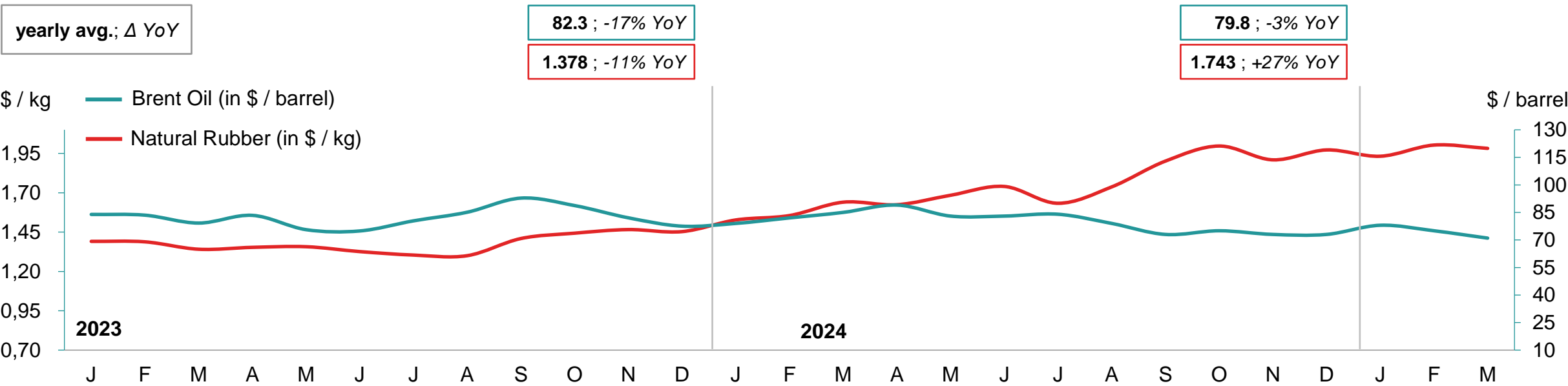
ESG Indices: a globally acknowledged sustainability leadership

Update @ 14/05/25

Major rankings	Last update	Score	Positioning in the reference sector
Dow Jones Sustainability Index	2024	84	Top score Auto Components and Automotive sector
	2025	TOP 1% ESG	The only tyre maker in Top1%
	2025	A	A LIST – Max score
	2024	A	A LIST– Max score Supplier Engagement Leaders
	2024	B	Prime status - Top score Auto Components
	2024	AA	AA - ESG Leader Category
SUSTAINALYTICS	2025	8.2	Top score Tyre industry (Negligible risk); <i>Awarded Industry ESG Top Rating</i>
	2025	82	Platinum - Top 1%

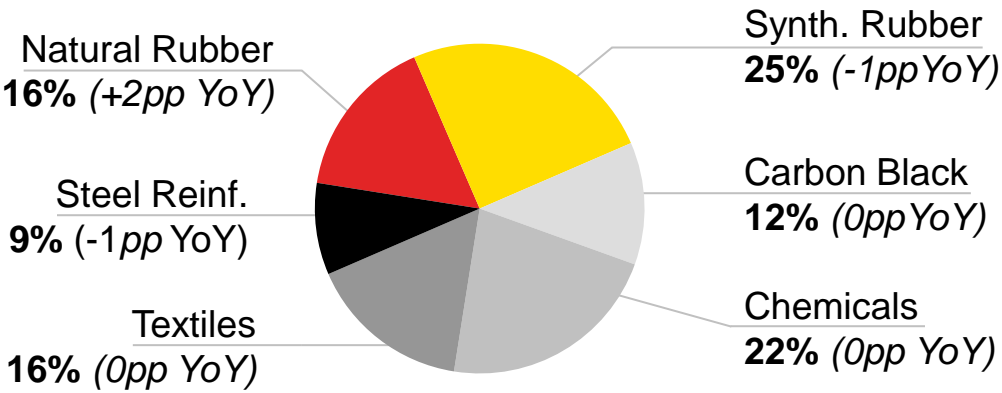
Raw material costs trend and mix

Main raw materials price trend

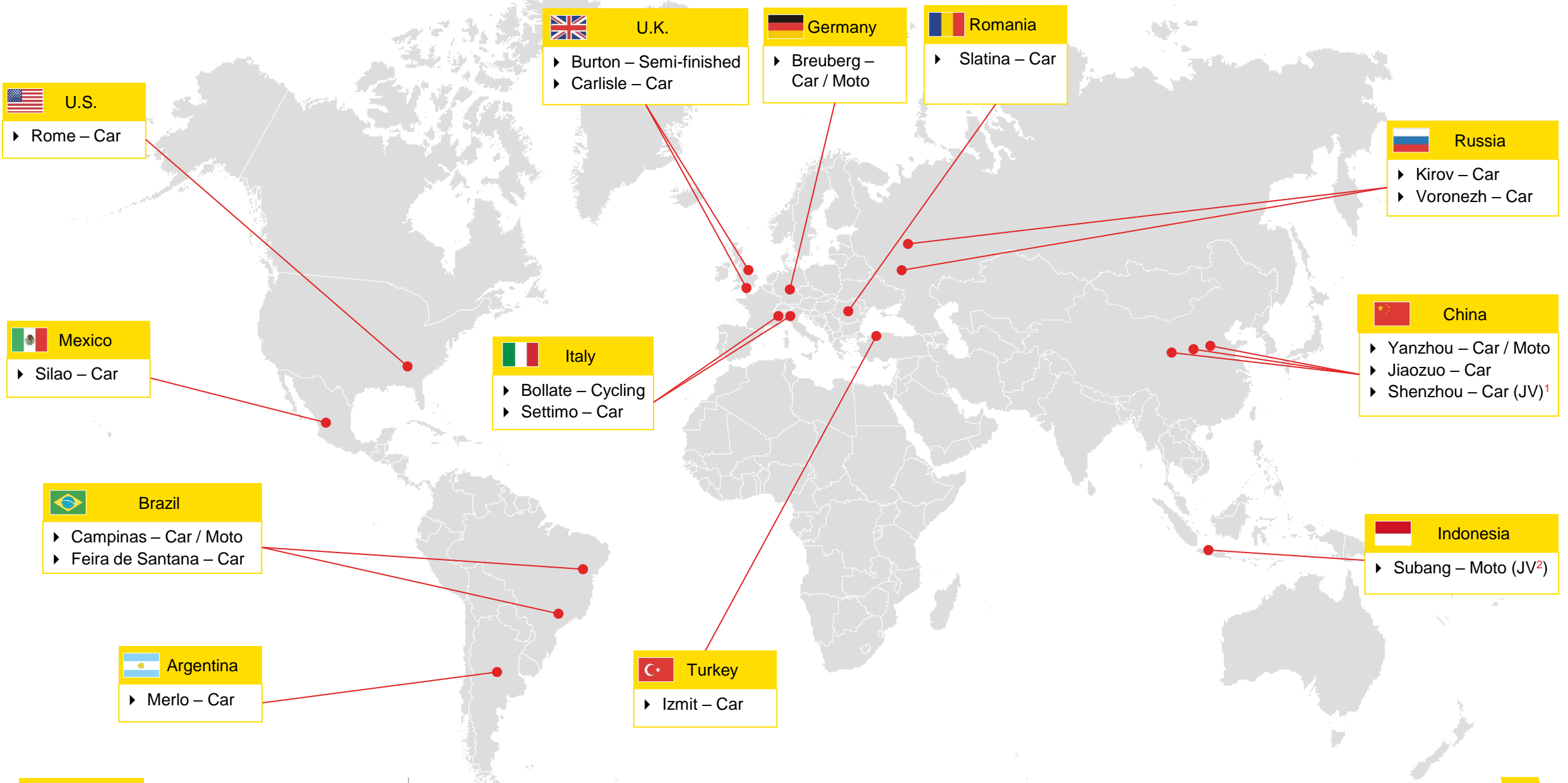


Pirelli Q1 2025 mix based on purchasing cost

31%
raw mat. Costs on sales



Pirelli manufacturing footprint



1. 49% Joint Venture with the Hixih Group 2. 63% Joint Venture with PT Astra Otoparts

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This Presentation contains certain items as part of the financial disclosure which are not defined under IFRS. Accordingly, these items do not have standardized meanings and may not be directly comparable to similarly-titled items adopted by other entities.

Pirelli management has identified a number of “Alternative Performance Indicators” (“APIs”). These APIs (i) are derived from historical results of Pirelli and are not intended to be indicative of future performance, (ii) are unaudited non-IFRS financial measures derived from the Financial Statements, and (iii) are not an alternative to financial measures prepared in accordance with IFRS.

The APIs presented herein are EBIT, EBIT margin, EBITDA, EBITDA margin, net income and net income margin.

In addition, this Presentation includes certain measures that have been adjusted by us to present operating and financial performance net of any non-recurring events and non-core events. The adjusted indicators are EBITDA adjusted, EBIT adjusted and net income adjusted. In order to facilitate the understanding of our financial position and financial performance, this Presentation contains other performance measures, such as Net Financial Position, Operating Cash Flow, Net Cash Flow before Dividends and extraordinary Operations, Net Cash Flow before Dividends, Net Cash Flow, CapEx (Capital Expenditure), Liquidity Margin and ROIC (Return On Invested Capital).

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