



1Q 2026 Results

Milan, May 7th, 2026

Pirelli & C. S.p.A.
1Q 2026 Results
Conference call transcript
May 7th, 2026

Key messages

>> 1Q'26: Consistent execution in a challenging environment

- High Value positioning enhanced through market share gain across businesses
- Solid profitability confirmed with internal levers offsetting external headwinds (FX, inflation and US tariffs)
- Cash flow trend in line with business seasonality

>> FY 2026 outlook and targets

- Middle East crisis is weighing on global growth and inflation
- High Value demand resilience confirmed
- Mitigation plan launched to protect Company results, with a priority on cash flow

>> Golden Power measures strengthen Pirelli's independence and ensure U.S. regulations compliance

- Clear indication on Pirelli governance: Sinochem can appoint up to three directors, of whom two independent
- Measures to ensure compliance with U.S. regulations concerning connected vehicles

Good evening, ladies and gentlemen,

The results for the first quarter of 2026 confirm the resilience of Pirelli business model in a highly challenging environment.

- ▶ In line with the strategic priorities, **we consolidated the positioning in the High Value segment**, leveraging our brand strength, technological leadership and a broad and distinctive product portfolio. By doing so, we gained market share in both the Car and Motorcycle businesses.
- ▶ **Profitability remains among the best in the industry, the highest among Tier 1 players, with an Adjusted EBIT margin of 16%**, despite the negative impact of exchange rates, inflation and US tariffs.
- ▶ **Thanks to rigorous financial management, we closed the first quarter with a cash flow trend** in line with last year and with the usual seasonality of the business.

The external environment remains complex and characterized by high uncertainty.

The crisis in the Middle East is a significant macroeconomic risk, with growing pressures on input cost inflation.

The closure of the Strait of Hormuz is already impacting energy and logistics prices, with effects that are gradually spreading to the value chain and economic growth.

In this context, demand in the High Value segment is proving resilient, with growth expected to be in the mid-single digits.

Finally, an update on the recent decisions taken under the Golden Power regulation.

Under the new provisions, which will remain in force for as long as Sinochem holds a stake of more than 9.99% in Pirelli's share capital:

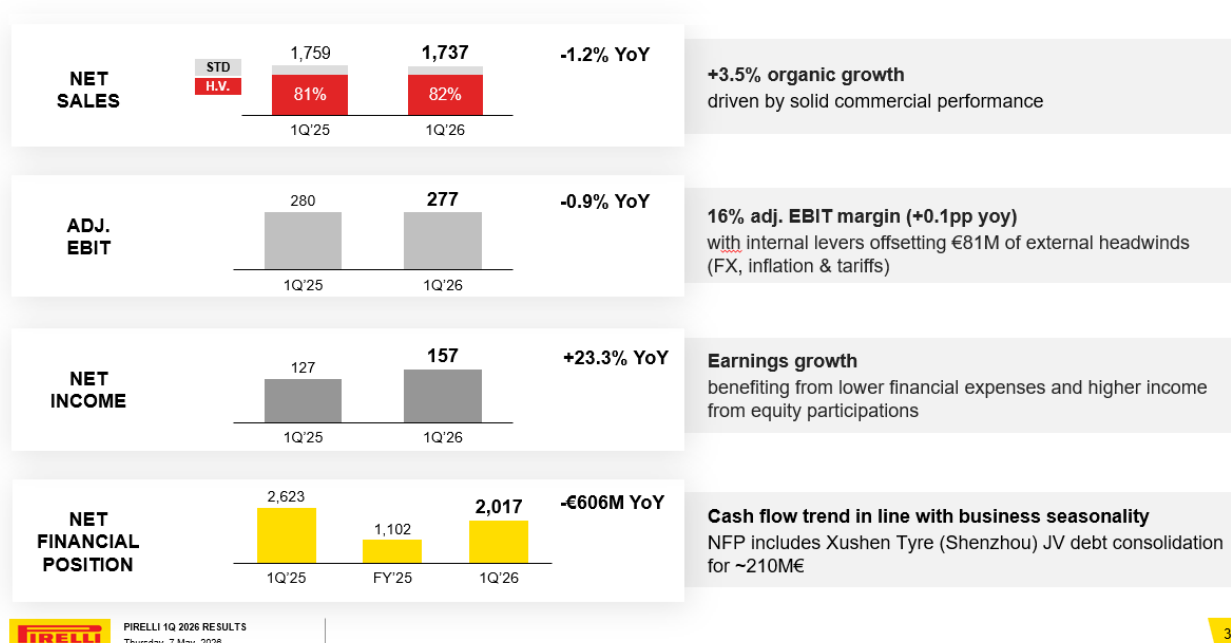
- ▶ Sinochem may participate in the appointment of up to three directors, two of whom must be independent;
- ▶ the directors nominated by Sinochem may not hold executive or senior positions (Chairman, Vice-Chairman, Chief Executive Officer), nor chair board committees;
- ▶ any transfers of shares by Sinochem must be notified in advance to the Ministry for Enterprises and Made in Italy and cannot be made to parties linked to SASAC.

These provisions, as confirmed by statements from both the Minister for Enterprises and Made in Italy and the Minister for Foreign Affairs, ensure Pirelli's full compliance with US regulations on connected vehicles.

I now give the floor to Mr. Casaluci

Andrea Casaluci - Chief Executive Officer

1Q 2026 Results: resilient business model in action



Thank you, Mr Tronchetti, and good evening everyone.

In a demanding macroeconomic environment, Pirelli closed the first quarter of 2026 with solid results.

- ▶ **Revenues were approximately €1.7 billion, with organic growth of +3.5%**, driven by:
 - ▶ the continued strengthening on the High Value segment, which now accounts for 82% of Revenues, and
 - ▶ an improvement in price/mix.
- ▶ **Adjusted EBIT** stood at €277 million, with profitability at 16%, a slight improvement year-on-year thanks to the contribution of internal levers which offset the negative impact of external factors, amounting roughly to €81 million.

Net profit rose by 23% year-on-year, benefiting from lower financial expenses linked to debt reduction and a greater contribution from the results of equity investments.

The net financial position stands at approximately €2 billion and includes the impact of the consolidation of the Chinese JV Xushen Tyre (Shenzhou) debt amounting to €210 million. The cash-out, relating to the exercise of the call option to increase the stake to 70%, is expected in the second quarter and amounts to approximately €40 million. In the first quarter of 2026, cash absorption before dividends and prior to the consolidation of the Chinese JV amounted to €704 million, in line with last year, and reflects the usual seasonality of the business.

Finally, we continue to strengthen our commitment to Sustainability, a strategic lever for Innovation, Growth and Competitiveness. Our leadership has been recently reaffirmed by the “Dow Jones Best-in-Class Sustainability Index”, where Pirelli ranked first in the Auto Components and Automobiles sectors.

1Q 2026 Results: strengthening leadership in a challenging external environment

HIGH VALUE GROWTH

Market share gain across businesses & regions

- Car: expanding OE opportunities & focus on specialties
- Moto: outperformance driven by new products



INNOVATION

Technological leadership confirmed:

- Homologation portfolio enriched and new products launch
- Cyber-Tyre ecosystem: partnerships on vehicle dynamics & autonomous driving



EFFICIENCY & MITIGATION PLAN

Boosting competitiveness amid external challenges:

- €43M efficiency gain (~29% of FY target)
- Contingency measures activated, in addition to the efficiency plan, to offset Middle East crisis impact from 2Q



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Let us now review the operating performance for the first quarter.

In line with the strategic priorities, we gained market share in the **High Value** segment for both Car and Motorcycle businesses, by leveraging technological innovation and capitalizing on market opportunities.

On the innovation front, we are continuing to expand the range of homologations and products.

As for **Cyber Tyre**, we are developing strategic partnerships with leading companies in the fields of connectivity and autonomous driving, with the aim of further strengthening our technology platform.

At the same time, the **efficiency plan** is proceeding as expected, generating gross benefits of approximately €43 million in the first quarter, equivalent to around 29% of the annual target.

Finally, as already communicated on April 16th, to address the crisis in the Middle East we implemented a **mitigation plan** worth €80 million, which includes price increases and cost-containment measures, in addition to the aforementioned efficiency plan.

High Value growth on both Car and Moto

Exploit technological & market opportunities



PRODUCT MIX IMPROVEMENT

- » Car: Leveraging leadership on **EV and Specialties**
- » Moto: increasing weight on high-tech segment (e.g. Hypersport & Custom-touring)



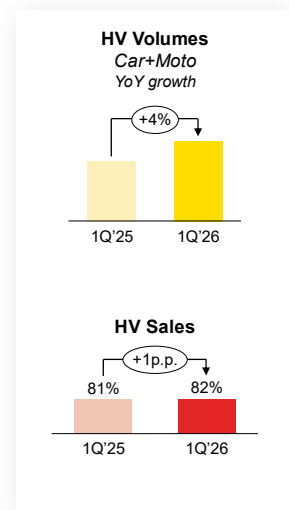
EXPANDING OE OPPORTUNITIES

- » **Strengthening the Partnerships with US OEMs** on High-End models
- » Consolidating leadership with **Chinese Premium NEV**



MARKET OPPORTUNITIES

- » **Car**: Seizing **opportunities in US & growing HV mkts** (Southeast Asia, S. Korea, Japan, Pacific)
- » **Moto**: consolidating our leadership in Europe, expanding presence in US and APac



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Let's start with 1Q **performance in the High Value segment**, which accounts for 82% of Revenues, also thanks to a 4% increase in volumes at Group level.

We gained market share in both Car and Motorcycle as a result of:

- ▶ **growing demand for Pirelli high-tech products** such as Specialties and tyres for EV in the Car market, and Hypersport and Custom-Touring in Motorcycle;
- ▶ **the expansion of partnerships with leading OEMs**, and
- ▶ **the strengthening of geographical positioning**
 - ▶ both in the Car segment, where we are seizing business opportunities in the United States and Asia Pacific through a dedicated offering, and
 - ▶ in the Moto segment, where we are consolidating the leadership in Europe and expanding the presence in the other High Value regions.

Advancing product innovation in 1Q to reinforce High Value leadership

Leveraging OE to secure future growth

~ 120 new homologations

- ~90% on ≥19" with Premium & Prestige OEMs
- ~80% Specialties **RUN FORWARD** **RUN FLAT** **PNCS**
- ~65% EV¹ mainly

Bringing motorsport experience to the road

Tailor-made **PZero R** fitting Audi RS and leveraging joint development with AI-based virtual simulation

Innovation-led product pipeline for Replacement

- » Launched 3rd gen. of **SCORPION**
Leader in homologations for high-end SUVs
- » Started commercialization of **METZELER SPORTEC 01**
Featuring adaptive tread design technology
- » Launched **PZero Race SL-R**
Better rim interaction, airflow & sailing effect

Technological leadership recognised by 6 Car Tyre Tests Victories

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1.BEV+PHEV

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Let's now turn to product innovation.

In the first quarter of 2026, we obtained approximately **120 new homologations**, of which

- ▶ 90% were for tyres 19 inches and above;
- ▶ 80% for Specialties, including Run Flat, Run Forward and Pirelli Noise Cancelling System;
- ▶ 65% for Electric Vehicles, mainly in Europe and China.

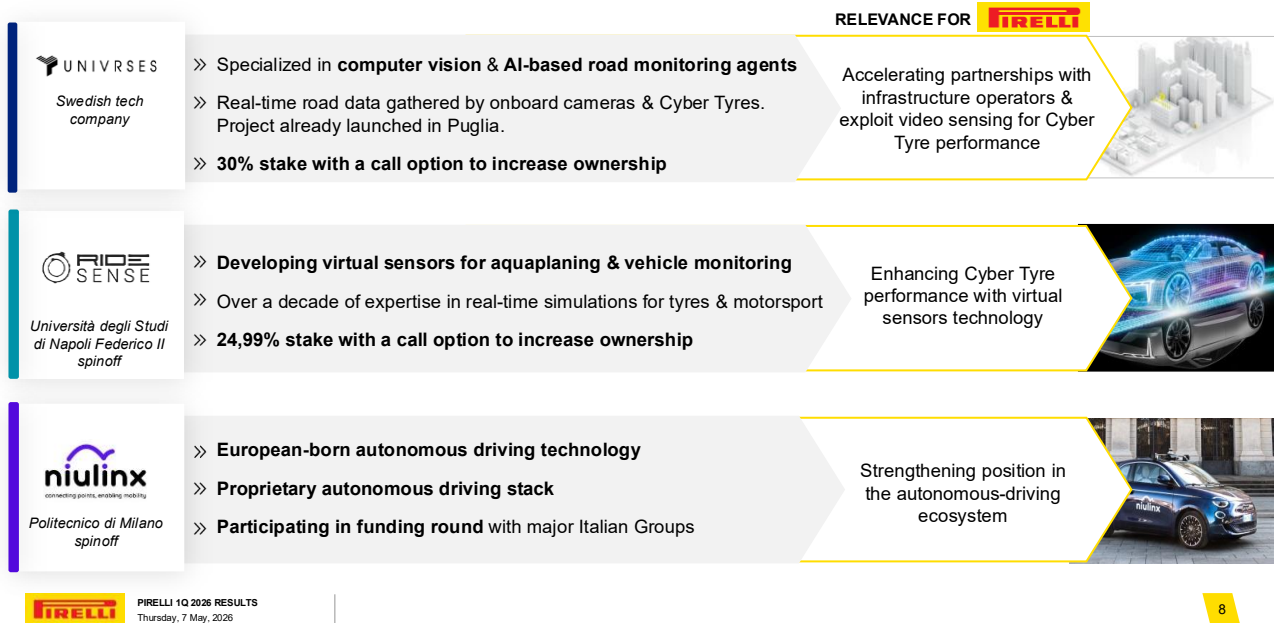
Product innovation continues to leverage Pirelli experience in motorsport. One example is the **partnership with Audi**: the RS5 and RS3 Competition Limited models will be fitted with the P Zero R and Trofeo R, sports tyres designed for both road and track use. Development took place in close collaboration with Audi, also through an advanced virtual simulation approach based on artificial intelligence.

In Replacement, the product portfolio is expanding across all segments:

- ▶ for the **Car**, the **third generation of Scorpion** was launched for SUV models;
- ▶ in **Moto**, sales of the **Metzeler Sportec01** started for the Hypersport segment;
- ▶ for **Cycling**, the **P Zero SL-R** was launched for road-racing applications.

Finally, Pirelli's technological leadership was further confirmed by **comparative tests** on car tyres, in which the Group achieved six victories.

Cyber-Tyre ecosystem development: partnerships on vehicle dynamics & autonomous driving



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The development of Cyber Tyre continues through strategic partnerships with leading organizations in the fields of connectivity and autonomous driving, with the aim of further strengthening Cyber Tyre technology platform.

We acquired a 30% stake in **Univrse**, a Swedish company specializing in advanced AI-based image and video processing technologies.

The integration of Univrse's 3DAI computer vision with Cyber Tyre enables the combination of data from sensors installed in tyres with information derived from video analysis, offering an even more accurate understanding of road conditions.

This integration opens up to high-value applications in terms of safety and autonomous driving, and also provides infrastructure managers with real-time data for more efficient maintenance and a lower risk of accidents.

We also consolidated the partnership with **RideSense**, a spin-off from the University of Naples, in which we hold a stake of approximately 25%. The aim is to **enhance the performance of the Cyber Tyre** through technologies based on **virtual sensors**.

RideSense has over ten years' experience in real-time simulations applied to tyres and motorsport, key expertise for accelerating the development of the platform.

Finally, we joined the board of **Niulinx**, an Italian start-up originating from Milan Politecnico that develops the entire technological system enabling autonomous driving:

- ▶ from environmental perception to route planning, and
- ▶ from vehicle control to remote fleet management.

Niulinx is testing an **innovative car-sharing model using autonomous vehicles**, and this collaboration is an opportunity for Pirelli to strengthen its position in the autonomous driving ecosystem.

Cyber Tyre is evolving from a product technology into an integrated digital platform, at the heart of the future mobility ecosystem. This is happening thanks to targeted partnerships that accelerate its innovation with strong technological value. These partnerships have a negligible financial impact, already factored-in in our figures.

I now hand over to Mr Bocchio.

1Q 2026 Sales bridge

Solid organic growth, driven by both volumes & price/mix improvement. Forex headwinds discount unfavorable comparison YoY



- 1Q DYNAMICS**
- >> **Volumes:** mid-single-digit HV growth in both Car and Motorbike, with continued reduction in Standard exposure
 - >> **Price/Mix:** in line with FY guidance, positive product and regional mix, while negative channel mix due to OE relative outperformance
 - >> **Forex:** US\$ weakness & LatAm currencies volatility
 - >> **Δ perimeter** due to Däckia AB de-consolidation

Thank you, Mr Casaluci, and good evening.

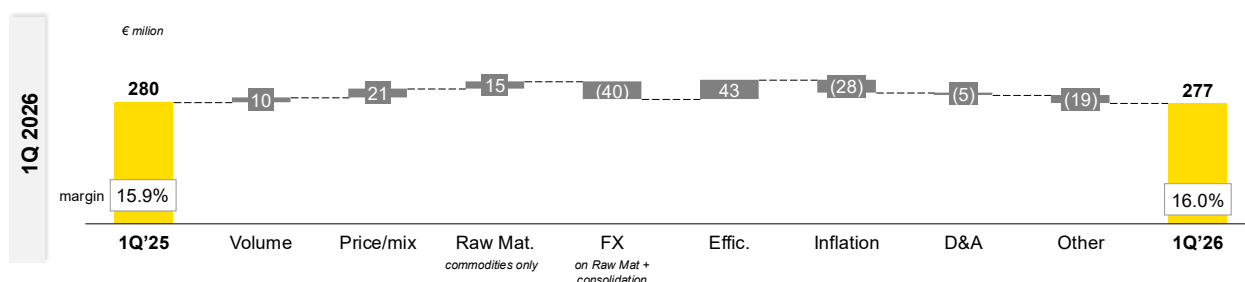
Let's now review in detail the economic and financial performance for the first quarter of 2026 compared with last year.

As previously noted, **Revenues** stood at approximately €1.74 billion, with an organic growth of +3.5%:

- ▶ **Volumes were positive (+1.5%)**, reflecting the strengthening of the High Value in both Car and Motorcycle businesses and the gradual reduction of the exposure to the Standard segment (-5.3%).
- ▶ **The price/mix continued to improve (+2.0%)**, supported by product and regional mix; however, the channel mix was negative due to the strong performance recorded in Original Equipment.
- ▶ The impact of **exchange rates** was negative 4.5%, **due to the volatility of emerging market currencies** against the euro and the weakness of the dollar , which is suffering from an unfavorable year-on-year comparison base.
- ▶ Finally, the change in perimeter (-0.2%) is linked to the deconsolidation of the Dackia AB business, which took place in the second quarter of 2025.

1Q 2026 Adjusted EBIT

Solid commercial performance and efficiencies almost offsetting €81M of external headwinds (FX, inflation and tariffs)



>> **Efficiencies: ~29% of the FY target achieved**, mainly driven by efficiencies in both product design & manufacturing programs

>> **FX headwinds** (linked mainly to USD depreciation & MXN peso revaluation) expected to soften in the coming quarters

>> **Tariff impact in line with expectations** ~50% of 1H/FY headwinds

Let us now turn to the profitability dynamics.

We closed the first quarter with **adjusted EBIT** of €277 million, essentially stable year-on-year, and a margin of 16%, compared with 15.9% in the first quarter of 2025.

The improvement in profitability was driven by internal levers. More specifically:

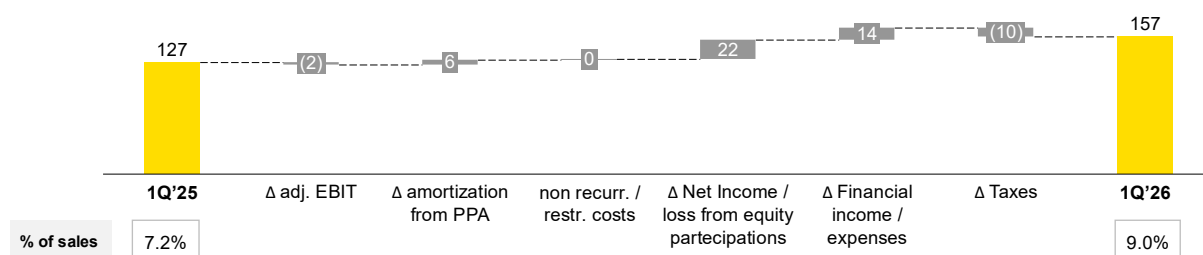
- ▶ The positive contribution from volumes (€10 million), price/mix (€21 million) and efficiencies (€43 million) substantially offset:
 - ▶ the negative impact of exchange rates (€40 million), reflecting the devaluation of the USD,
 - ▶ input cost inflation (€28 million), and
 - ▶ the impact of US tariffs, amounting to approximately €13 million in the first quarter and included under the item 'other'.

Finally, the impact of raw materials was positive (€15 million), while the increase in depreciation and amortisation amounted to €5 million.

1Q 2026 Net Income

Earnings improvement supported by lower financial expenses and higher income from equity participations

€ million



- >> **Net Income from equity participations** mainly related to the revaluation at fair value of the 49% stake in Xushen Tyre (Shenzhou)
- >> **Net Financial Charges** decreased YoY to -€46M (from -€60M in 1Q'25), driven by a lower cost of debt
- >> **Tax rate** at 30.5% (vs 31.7% in 1Q'25) benefitting from non taxable incomes

Let us now examine the trend in **Net Profit**, which amounted to €157 million, up 23% compared with €127 million in the first quarter of 2025 due to

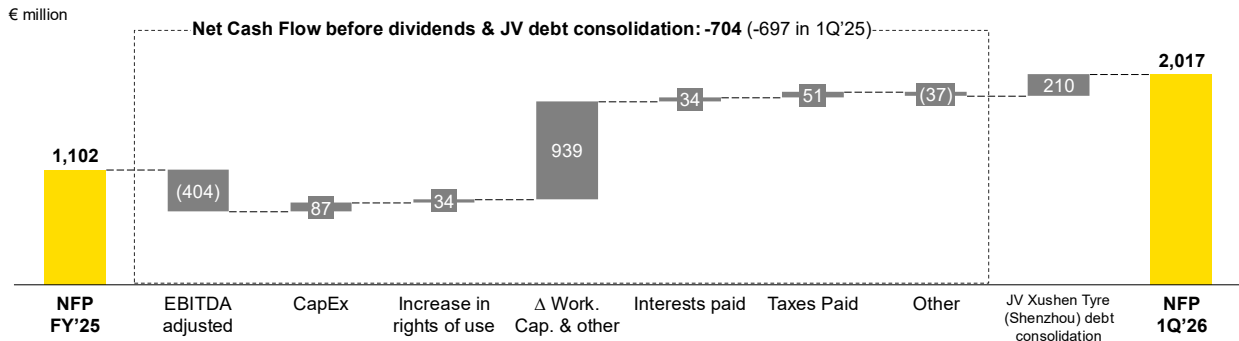
- ▶ a higher **contribution from the results of equity participations** amounting to €22 million, mainly linked to the revaluation at Fair Value of the 49% stake in the Xushen Tyre Joint Venture, and
- ▶ **lower net financial expenses** relating to debt, by €14 million.

Other notable components include:

- ▶ lower expenses from **PPA amortisation**, by €6 million, and
- ▶ an **increase in taxes** of approximately €10 million compared with the first quarter of 2025, mainly attributable to the improvement in pre-tax profit. The tax rate stands at 30.5%, compared with 31.7% in the first quarter of 2025, as the revaluation at Fair Value of the 49% stake in the Chinese JV is not taxable.

1Q 2026 Net Financial Position

Operating cash flow absorption in line with business seasonality, NFP records JV debt consolidation for ~210M€



>> **Inventory** level stable at ~22% weight on sales

>> **Receivables** substantially in line YoY (~14% vs 14.6% in 1Q'25)

>> **Payables** reducing weight on sales YoY (~22% vs 23.5% in 1Q'25), due to higher capex concentration in Q4'25 vs Q4'24

Let us now turn to the Net Financial Position.

Pirelli closed the first quarter of 2026 with a negative **Net Financial Position** of approximately €2.02 billion, due to:

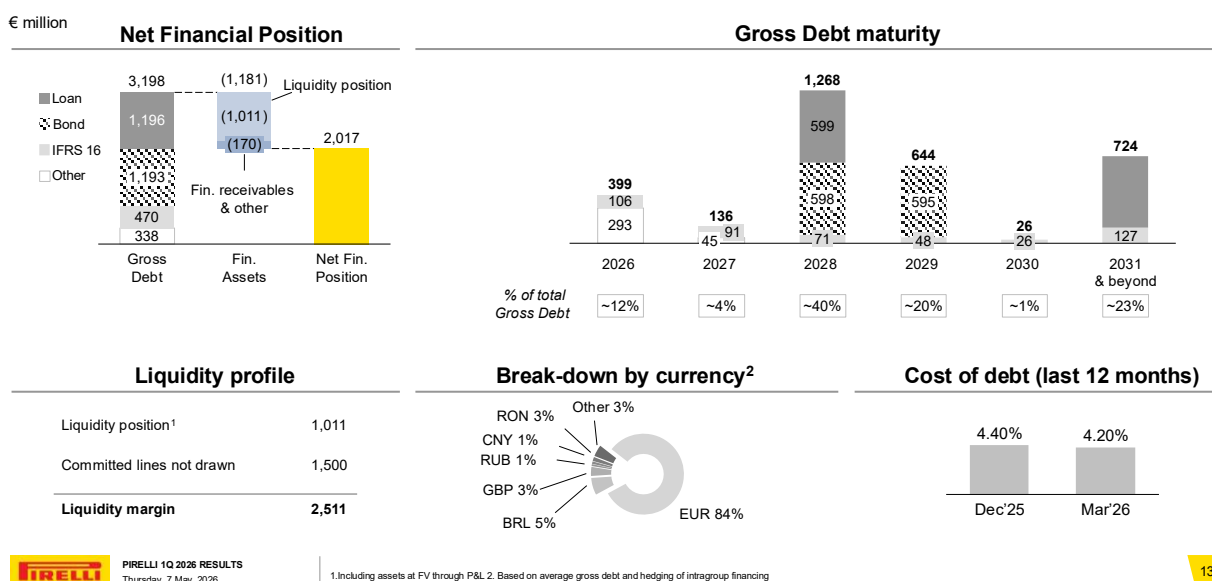
- ▶ a negative **net cash flow before dividends** of €704 million in the first quarter, in line with the seasonality of the business and working capital, and
- ▶ the consolidation of the Xushen Tyre Joint Venture's debt from 1 January 2026 amounting to €210 million.

Net cash flow before dividends is broadly in line year-on-year despite:

- ▶ **Capex** of €87 million, up €27 million compared to the first quarter of 2025, allocated primarily to High Value activities, technological upgrades and factory automation;
- ▶ **an increase in rights of use** of €34 million, compared to €28 million in 2025. Key projects include the renewal of the agreement for the Burton finished goods warehouse in the UK, and
- ▶ a **working capital absorption** of €939 million, in line with the usual seasonality of the business but increasing year-on-year due to a sharp reduction in trade payables, driven by the high concentration of capital expenditure in the final quarter of 2025.

Gross Debt structure as of March 31st 2026

Liquidity margin covering > 3 years of debt maturity, protecting the company in current volatile markets



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As at the end of March 2026, Pirelli reported **gross debt of around €3.2 billion**, financial assets of around €1.2 billion and therefore a **net financial position of approximately €2.02 billion**.

The **cost of debt** over the last twelve months stood at 4.20%, **down by 20 basis points** compared with the end of 2025.

This reduction is attributable to the optimisation of the debt mix, due to a lower exposure to high-yield currencies.

As at March 31st, the **liquidity margin** of €2.5 billion allows for the coverage of maturities for over **3 years, that is until Q3 2029**.

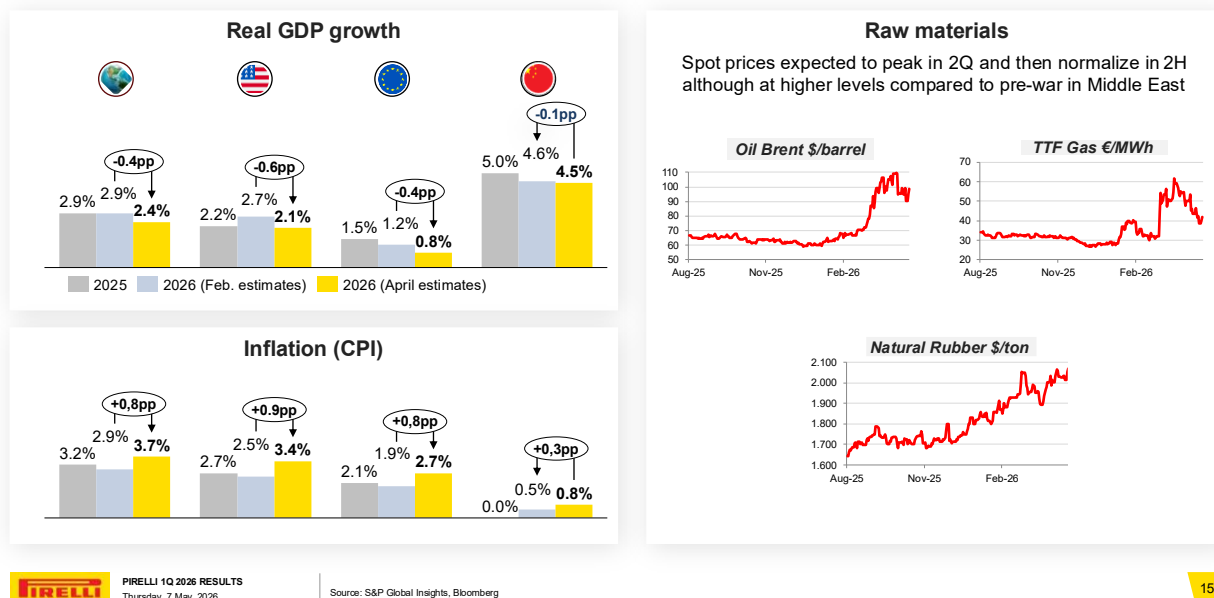
It should be noted that in January 2026, Pirelli signed an agreement for a **new multi-currency banking facility** totaling **€2.1 billion** with a group of leading national and international banks. Specifically, the new facility –**linked to the Group's decarbonisation targets** for Scopes 1, 2 and 3 – consists of a €600 million term loan and revolving facilities totaling €1.5 billion. The agreement provides for the possibility, subject to agreement between the company and the financial institutions, to extend the maturity, on the same contractual terms, for a maximum of a further two years, until 2033.

The transaction also enabled the **refinancing**, more than a year in advance, of all **debt maturing in 2027**.

I return the floor to Mr Casaluci.

Macroeconomic Outlook update

Middle East crisis is weighing on global growth, inflation and raw mat prices



Thank you, Mr Bocchio.

Let's now turn to the outlook for the year, starting with the macroeconomic context.

The crisis in the Middle East is one of the main risk factors for the economy, particularly due to its impact on input cost inflation.

Tensions in the region, with the closure of the Strait of Hormuz, have led to **significant pressure on oil prices** (+60% since the start of the crisis to the beginning of May) **and gas prices** (+51%). The impact is gradually spreading across the entire value chain, with growing pressure on raw materials, logistics and transport costs (freight costs have risen by 17% since the outbreak of the crisis).

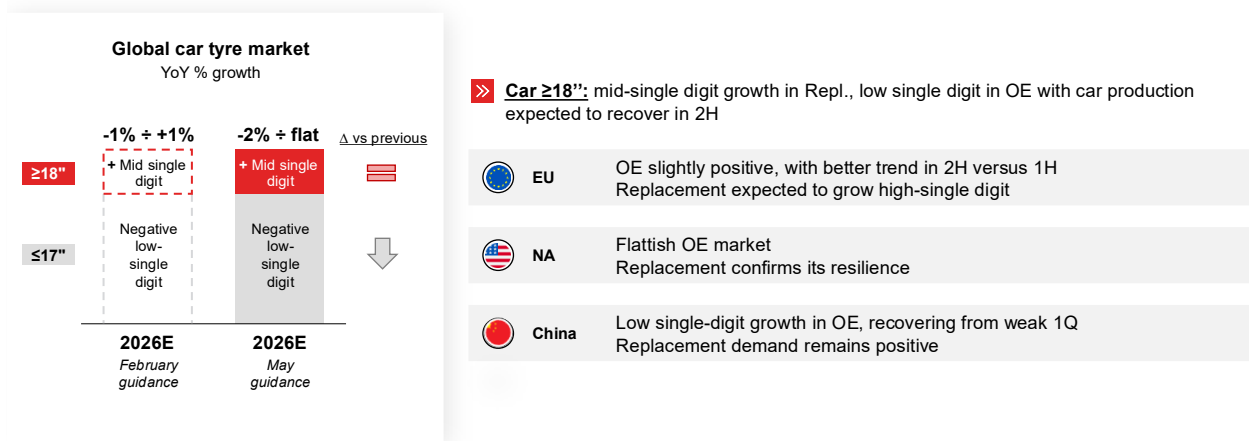
In this context, **the latest estimates point to a deterioration in the macroeconomic outlook compared to the previous assumptions.** For 2026, **global GDP growth is now expected to be +2.4%**, down by **around half percentage point**, with the slowdown mainly concentrated in the United States and Europe.

At the same time, inflation is forecast to rise to **3.7%**, an increase of around one percentage point, with a resulting risk of interest rate rises.

As regards commodities and energy, following the initial shock, and assuming the crisis is resolved within the first half of the year, prices are expected to normalise gradually in the second half of the year, although they will remain structurally higher than in the pre-crisis period.

Car Tyre Market update

High value demand confirms its resilience despite a challenging macroeconomic environment



Pirelli expects to outgrow the market, gaining share in High Value, while it keeps on reducing exposure to Standard



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In light of the new macroeconomic scenario, we have updated our market outlook for 2026.

Car tyre demand is now forecasted to be between -2% and flat, compared with the -1% to +1% range indicated at the end of February.

The revised estimates mainly apply to the Standard segment, which is more sensitive to economic trends.

Expectations for the High Value segment, however, remain unchanged, with mid-single-digit growth driven by Replacement, particularly in Europe.

For Original Equipment, we forecast a *low single-digit* growth, with a gradual recovery in demand in the second half of the year across all regions. In particular, in China, following a weak first quarter linked to the revision of government incentives for EVs, we expect a recovery in demand in the second half of the year.

This outlook assumes the resolution of the Middle East crisis in the second quarter. If the tension in the Strait of Hormuz is prolonged, there could be risks for OE demand, with potential reduction due to call-offs, since approximately 20% of global aluminium transit through the Strait.

Addressing the Middle East Crisis: Our Actions on the Ground

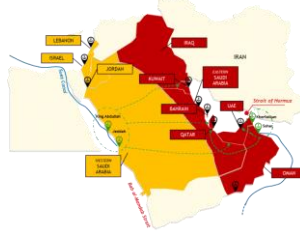
PIRELLI IN MIDDLE EAST



- » ~€90M Revenues, mainly HV, ~1% of Group Turnover
- » So far, no impact or delays on the JV factory construction

ACTIONS

- » Ensured the safety of personnel operating in the region
- » Close and ongoing collaboration with local partners
- » Re-routing inbound logistics through Western Saudi Arabia and Oman



RED ZONE

ORANGE ZONE

STATUS

Direct-service bookings
suspended

Direct-service delivery
still active

Let us now turn to the impact of the crisis in the Middle East.

As already communicated, the Group's exposure to the Gulf region is limited and closely monitored: approximately €90 million in annual revenues, equivalent to around 1% of sales, concentrated in the High Value segment.

From the start, our priority has been the safety of people. In response to the instability in the Middle East, we activated a structured contingency plan to protect staff in the region, reinforcing security and monitoring protocols.

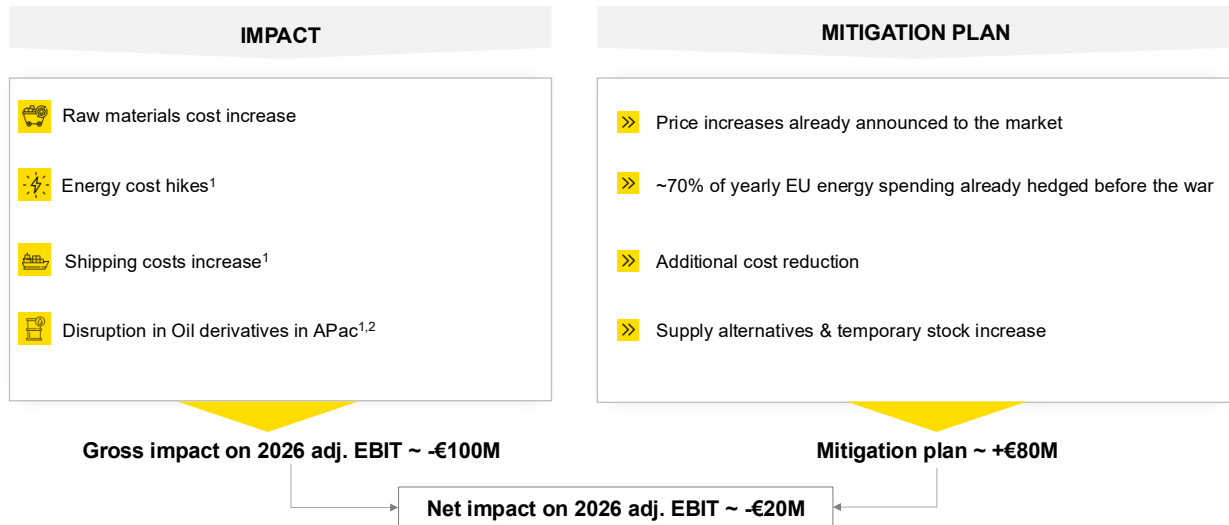
At the same time, **we strengthened collaboration and support for local business partners**, assisting them in managing key operational challenges.

Logistically, we adjusted trade flows, diverting them via alternative routes to the Strait of Hormuz — via the Red Sea and subsequently overland through the western part of the United Arab Emirates and Oman — with a cost impact that remains manageable.

Finally, on the industrial front, there are currently no delays or impacts on the construction of the Saudi JV factory, also considering its location on the Red Sea.

Addressing the Middle East Crisis: Mitigation Plan already in place

Assuming commodities price spike in 2Q, progressively normalizing in 2H. Impact on P&L with a lag of 3 to 4 months.



As already mentioned, the main impacts of the crisis in the Middle East relate to the cost of raw materials, energy and transport. In addition, there are:

- ▶ specific supply risks for derivatives of oil in the APAC region (butadiene), which is heavily dependent on flows through the Gulf,
- ▶ as well as a potential slowdown in global demand should the situation deteriorate.

In this scenario, we responded by promptly activating a mitigation plan:

- ▶ on the one hand, through price increases, already communicated, in all Regions starting from 1 April, with the objective of mitigating for the increase in raw material and transport costs;
- ▶ on the other hand, we launched further cost-containment initiatives, primarily in G&A.
- ▶ At the same time, we are temporarily increasing stocks of oil derivatives in APAC and identifying alternative suppliers to ensure operational continuity.

Assuming a peak in the commodity market, energy and transport prices in the second quarter and a gradual normalisation in the second half of the year, we estimate a gross negative impact on 2026 adjusted EBIT of approximately €100 million

Thanks to the mitigation measures already in place, we expect to offset around €80 million, with a net impact on adjusted EBIT estimated at around €20 million, as communicated on April 16.

Targets update

February guidance did not factor in the Middle East conflict impact

€ billion	2025 A	2026 E Feb Guidance		2026 E May Guidance	
Net Sales	6.78	~ 6.7 ÷ 6.9	Volumes: ~ +1% + +2%	~ 6.75 ÷ 6.95	Volumes: ~ +1% + +2%
Adj. EBIT Margin	16%	~ 16% <i>slightly improving YoY</i>	Price/Mix: ~ +2%	~ 16%	Price/Mix: ~ +2.5 + +3%
CapEx <i>% of sales</i>	0.42 6.2%	~ 0.45 ~ 6.5%	Organic growth: +3% + +4%	~ 0.45 ~ 6.5%	Organic growth: +3.5% + +5%
Net Cash Flow <i>bef. Dividends, conv. Bond and Xushen Tyre (Shenzhou) impact</i>	0.58	~ 0.5	Forex & Δ perimeter: -4.5% + -2.5%	~ 0.5	Forex & Δ perimeter: -4% + -2%
Net Financial Position	1.1	~ 1.2		~ 1.2	
Leverage <i>Net debt / adj. EBITDA</i>	~0.7x	~ 0.75x		~ 0.75x	

The evolution of the Middle East crisis remains uncertain, in terms of both duration and potential impact on inflation and demand. Current guidance is assuming a gradual normalization of commodities prices in the second half of the year.

Let us now turn to the targets, which have been updated in line with the new outlook.

2026 guidance is as follows:

- ▶ **Revenues of between ~€6.75 billion and €6.95 billion**, approximately €50 million higher than the targets announced in February;
 - ▶ Volumes confirmed to be growing by between ~+1% and ~+2%;
 - ▶ Price/mix now expected to improve by between ~+2.5% and ~+3%, that is an additional increase between 0.5 and 1 percentage point thanks to price increases already communicated;
 - ▶ Currency impact slightly revised based on expectations of a lower depreciation of the dollar. Exchange rates are now forecast at between -4% and -2%, compared to the previous -4.5% and -2.5%.
- ▶ **Profitability is expected to be around 16%. Adjusted EBIT in absolute terms is expected to be ~€1,080 million at the midpoint**, corresponding to the lower end of the previous guidance, as indicated on 16 April.
- ▶ **Capital expenditure confirmed at ~€450 million** (approximately 6.5% of revenues);
- ▶ **Net cash generation before dividends and impact of the exercise of the call option on the Chinese Joint Venture confirmed at ~€500 million;**

- ▶ **Net financial position confirmed at ~€1.2 billion**, including the expected impact related to the exercise of the call option.

I now leave the floor to Mr. Tronchetti for the final remarks.

Marco Tronchetti Provera - *Executive Vice Chairman*

First-quarter results confirm that Pirelli is successfully implementing its value-focused strategy, supported by distinctive assets.

In a complex and highly uncertain macroeconomic environment, our distinctive business model has enabled us to outperform peers.

We continue to invest in High Value, technological innovation and brand strength, elements that allow us to strengthen the positioning in the most strategic markets, such as the United States, where we plan to develop the Cyber Tyre in accordance with local regulations.

We approach the external environment with realism, but also with confidence, backed by a mitigation plan already in place, a flexible industrial structure and a rigorous financial management.

These factors enable us not only to protect Pirelli performance in the short term, but also to continue building sustainable value in the medium to long term for all stakeholders.

Given the uncertainties in the external environment, which could persist beyond the second quarter, we believe it is more appropriate to present the next Business Plan in the first part of 2027.

This ends our presentation.

We may open the Q&A session.

Questions & Answers

Stephen Benhamou – *BofA*

Yes, good evening and thanks for taking my question. I have three questions.

The first one is regarding the Middle East conflict. So, you anticipate around EUR100 million gross impact. Can you please give us an indication of what's the breakdown between raw-mat and other cost inflation, and because of the natural time lag, how much of these cost impact and mitigation measures we should expect as of Q2? This is my first question.

The second one is regarding the Q2 margin, should we expect a higher margin in Q2 before a likely lower profitability in H2, given the phasing of the cost inflation and mitigation measures?

And finally, can you please give us any indication of a shift in terms of demand given this current environment, which is challenging? Did you experience any slowdown in terms of demand in April, for instance?

Andrea Casaluci - *Chief Executive Officer*

Yes, thank you for your questions. Regarding the impact of the crisis in the Middle East, as we said, we have a gross impact expected around EUR100 million that is roughly 80% linked to raw material inflations. The mitigation plan is going to offset the vast majority of these impact, and it is accounting roughly EUR80 million. I would say it's mainly concentrated in the second half of the year. But also, the negative impact will arrive mainly in the second half of the year. We expect the first negative impact on the inflationary cost starting from the month of June, I would say. So, the majority of the impact, both the headwinds and the mitigation plan will come in the second half.

Second-quarter profitability is expected to be slightly below the first quarter, mainly due to ongoing headwinds from duties—which started impacting us in June 2025—as well as some residual FX pressure. However, thanks to the mitigation actions already in place, we expect profitability in Q3 and Q4 to remain broadly stable going forward on a quarter-by-quarter basis, with no major impacts.

For what concern demand trend, we haven't see a slowdown of the demand in the month of April. Also in the first quarter - even if the total market demand has been negative roughly 4%, the High Value was positive, mainly driven by a positive Replacement channel about all in Europe. I think it's useful to remind that the High Value segment is now representing 82% of our sales. So all in all, the demand is still sound and in the High Value above all, and we keep on targeting to gain market share. Thank you.

Monica Bosio – *Intesa San Paolo*

Good evening, everyone, and thanks for taking my question. The first batch of questions is related to the Cyber Tire. Maybe you can't share it now with us, but I was wondering what could be the additional investments for the development of the Cyber Tyre in Georgia, and

ideally what could be the annual Cyber Tyre production in the site? And I was wondering if the company has already in place contracts with USA carmakers. This is the first question.

The second question is on the volumes trend in the first quarter, which was well above the market. Have you seen any pre-buy effect from wholesalers in the High Value segment? And I remind that in the last conference the company gave some colors on the gain of market share by channel. Are you gaining market share both in Original Equipment and in the aftermarket in this quarter? Thank you

Andrea Casaluci - *Chief Executive Officer*

Thank you for your questions. We don't disclose the volume on the Cyber Tire production and also the expected growth on the Georgia plant, but it's useful to remind that the growth of capacity in United States will be concentrated in Georgia and will be one of our most important capacity growth projects for the coming years and we will be very soon in the position to communicate the investments and the capacity volume we target to grow in the United States. What I can tell you is that we are already working on the introduction of the Cyber Tire technology. We are accelerating negotiation and development with the most important US carmakers mainly in the electric vehicle segment. We are already supplying Cyber Tyres in United States today produced in our plant of Mexico. We will keep the production over there, and we will add the production in Georgia. And very soon we will also be in the position to announce some new supply agreement in the US.

As far as the volume of the Q1 is concerned, I can tell you that the market was positive in the High Value, even if not as brilliant as in the past quarters, mainly driven by a negative Original Equipment market in China and this has been mainly driven by the reduction of the local incentives on the new electric vehicles that affected the demand in the first quarter in China on the Original Equipment. It also forced the pre-buying in the last quarter of 2025 in China. In USA Replacement demand was negative due to the bad weather conditions and the not favorable comparison with last year. Demand was positive in all the other regions mainly in the Replacement channel and mainly driven by Europe and Replacement China.

We have been able to gain market share in Replacement channel everywhere in all the major High Value markets, mainly in China and in United States. And we also were able to gain market share in the Original Equipment in all geographies, mainly in China and in United States. This is the outlook of the volumes in the Q1.

The level of stock in the trade is I would say at the normal level. We have not seen any kind of pre-booking approach, even if we announced all the price increases during the month of April. In addition, thanks to a good sellout in winter in Europe, mainly at the beginning of the year, the stock level of winter at the end of the season is back to a very normal and healthy position. Thank you.

Monica Bosio – *Intesa San Paolo*

Okay. Thank you. If I may add, I understand you can't announce the investments for the Cyber Tire but is it something which is already embedded in the guidance or is it something that will come on top?

Marco Tronchetti Provera – *Executive Vice Chairman*

This year's investment is included. With what we will do in Georgia, there are no changes in our investment. And looking forward, the investment in Georgia will be part of our investment plan. So in our roadmap, Georgia is a natural growth and so there is no change in strategy. Thank you

Martino de Ambroggi – *Equita*

Thank you. Good evening, everybody. On prices in your slide number 18, you're talking about price increases already announced to the market. Two questions on these.

Could you elaborate on the rough indication of what was the price increase? I don't know if by region, if it's possible, but I imagine that among the mitigation actions, price increases represent the bulk of the EUR80 million that you have in mind.

And the second question is on the BEV tires. They are not anymore so important as it was a couple of years ago. But could you tell us what is the penetration rate and the potential upside, if any, when the aftermarket will come? Thank you

Andrea Casaluci – *Chief Executive Officer*

Thank you for your questions. I will start from the price. The mitigation plan we presented is roughly EUR80 million of support to the result out of which I would say EUR50 million / EUR55 million are coming from the price increase already announced during the month of April in all geographies. If you look at our price mix, new guidance is putting us on the average point of 2.7%, 2.8% of price mix. You can consider the mix impact more or less stable along the year, which is strictly linked with our business model, roughly 2 percentage point. Price is moving from zero impact in the first half into a 1.5% positive impact in the second half. If you look at the full year, out of the 2.7%, 2% is mix and 0.7% is price effect.

The announcement has been done public during the month of April everywhere. And the entity of the increases is similar because it's linked to the inflation of raw material, transport and energy. That's as far as the Replacement is concerned. For Original Equipment we have indexation clauses, and roughly 20% of our total sales follow a cost matrix approach.

Tires for electric vehicles are still extremely important for us because I remind you that the entire performance for electric vehicles it's much higher because you need to have better load index, better grip to support a stronger torque momentum, better noise control, because, in terms of comfort, the first cause of noise of an electric vehicle is not coming anymore from the engine, but the contact between the tire and the road. And rolling resistance is extremely important for the durability of batteries.

So, a lot of technology for the Premium electric vehicles and this is where Pirelli is leading the penetration on the Premium and Prestige segment. We target during the year 2026 to arrive at roughly 9 million tires out of which the vast majority, around 6.5 million, still Original Equipment, because it's a young segment, but we have already 2.5 million more or less coming from the Replacement channel. And the profitability is as expected, in line with the profitability of High Value or even a bit higher. Thank you.

Akshat Kacker – *JP Morgan*

Good evening. Thank you for taking my question. I have two, please.

The first one on the US market in general, we have seen that the sell-in volumes for quite a few of your peers have been negative in that market and they've called out much higher competition and general channel inventories. So could you just talk about your business in the US in Q1, please? And if you still expect to grow volumes on a full year basis in the US market? That's the first question.

And the second one is on China, a similar question. Could you just talk about overall volume development for the business in Q1 or revenues. If you could just give us a sense of China business performance, that'd be helpful. Thank you.

Andrea Casaluci - *Chief Executive Officer*

Yes, thank you for your questions. Starting from United States, you are right. I talked about the Premium market, so the High Value market has been slightly negative in the Q1. Not really the Original Equipment that has been positive, roughly 1% positive. But the Replacement channel was slightly negative, roughly 3%, 4% negative. Pirelli was able to gain market share in both channels: in the Original Equipment and in the Replacement. I remind you that it is a market where we see the biggest opportunity to growth not only because it's the biggest High Value market in the world but it's because our market share is still below the average of our market share in the High Value segment in other geographies. If we compare our presence in US to the presence we have in Europe, for example, or in China. So we see a lot of opportunities, and we are catching these opportunities through a strategy that this is made of a completely new product range developed for the American consumers. It is mainly high mileage-driven through the penetration on the most iconic American vehicles where we have been able in the last 4, 5 years to gain market share and we are now benefiting of the pull through of this segment. Just to mention some of them, the Ford F-150, the Dodge Ram, the best sellers of Tesla, Jeep and so on through the development of production capacity already mentioned, of course, and a healthy brand consideration supported by all the investment we did in the brand in the last years, including Formula 1, which is more and more popular, but also tennis, where we started to sponsor the Miami Open starting from this year. And enlarging the distribution channel, the customer base and we are now covering all the markets in the United States. So we see a lot of opportunities and it's a country where we have gained more market share during the first quarter. Thank you.

For China I leave the floor to Mr. Bocchio. Thank you.

Fabio Bocchio - *Chief Financial Officer*

Yes, so on the net sales in China, I would just remind you that Asia Pacific, generally speaking in the first quarter had the weight on revenues of about 17%. And it is expected for the full year 2026 to remain a little bit higher than that number, around 18% of the revenues of the group. And inside the number China represents for the full year roughly between 11% and 12% of group net sales.

Michael Filatov – Berenberg

Hi, thank you for taking my questions. First one is just around efficiencies. You gained 29% of your total expected efficiencies in the first quarter. I'm wondering if you see scope for additional efficiency gains beyond the EUR150 million.

Second question, just around sort of the mitigation plan, you assumed commodity normalization in the second half. But just hypothetically, if prices remain sort of at current spot levels for the year end, could you maybe help quantify the impact on the business?

And then lastly, just because you've got fairly strong share with premium Chinese EV OEMs, when do you expect that replacement cycle to really kick in? And is there any difference in the margin profile of that particular business? Thank you.

Andrea Casaluci - *Chief Executive Officer*

Thank you. On the efficiency plan, you are right, the first quarter represents roughly EUR43 million of efficiency out of the total of EUR150 million we do expect for the full year. Out of these EUR150 million efficiency plan, roughly 25%/30% is coming from product cost, so product modularity and the product design to cost approach, roughly 10% 12% is coming from SG&A cost rationalization, another 10% 12% from organizational streamlining. And so, we come to the vast majority of the impact that is roughly 50% coming from manufacturing, where we are accelerating our investment in electrification, in digitization and above all in automation of our factories, mainly in Europe, but not only, also South America and all around the world.

On the replacement cycle on EV. And then I leave the floor to Mr. Bocchio for the commodities' impact on the replacement cycle on EV. First, it's useful to mention that the car registration, the Premium segment in China are already more than 50% linked to electric vehicles. So China has been able to accelerate in the penetration of EV, not only in the synergic segment, which is out of our strategy, but also in the Premium segment, where a lot of newcomers have been able to gain market share, introducing in the market the cars that has a level of technology mainly related to infotainment and autonomous driving, but also battery durability, that is, I would say, a very high level of technology. Also, the design of the cars is better than before and so they are very successful in gaining share. And Pirelli was able to partner with a majority of these carmakers and today can benefit of a market share in the premium EV segment in China which is very similar or in

some cases even higher than the market share that we have with the traditional premium carmakers of Europe or United States.

The pull-through of these cars is coming into the market and we are carefully measuring the effectiveness of this pull-through because it's a completely new segment and also the experience in the tire exchange is new. So, we are investing a lot in the education of the consumers to let them know that the tire should be homologated in order not to lose in terms of driving experience, safety, comfort and so on. And so, we will be able in the coming 2 years to understand if the pull through of the EV in China is as good as the European carmakers. But never forget that for electric vehicles, tire maintenance is of paramount importance because of the reasons I said before: comfort, durability of batteries, but also safety because of the grip. So, I'm quite confident that the pull-through on the electric vehicle, all around the world, will be even higher than the internal combustion engine. Fabio

Fabio Bocchio - *Chief Financial Officer*

I will take the one on the commodities and the raw materials. During the year we will have very different trend quarter-by-quarter. In quarter one we just showed that we had a positive contribution coming from the raw materials for about EUR15 million. This was coming in our COGS from the natural rubber, butadiene and the brent decline year-over-year. We are expecting a similar trend for quarter two, meaning again a positive contribution for raw-mat in Q2 even if at the end of quarter two we will begin to see the impact of the Middle East crisis. But still we are expecting raw-mat to be positive in quarter two, while obviously in second part of the year, starting from Q3, the sizable increase in all the commodities is expected to turn completely and to be a headwind for us starting from quarter three and to quarter four. We are expecting for the second quarter commodities at a level that we have seen on the market in these past few weeks. So with the brent at about an average \$100, the natural rubber at about \$2,100 per ton, we are expecting then a normalization of these values for the second half of the year, even if we expect them to be at a higher level than the situation than the pre-war situation. So for the full year, we are expecting for example brent on average that will be around \$85 per barrel.

Andrea Casaluci - *Chief Executive Officer*

One comment more on the answer related to the efficiency plan. We were talking about EUR150 million of efficiency plan. This is not considering the cost reduction part, that is part of the mitigation plan for the Hormuz crisis. This is on top of the EUR150 million, just to clarify.

Fabio Bocchio - *Chief Financial Officer*

The EUR150 million is related to the efficiency program that we have started -- even started from the last part of previous year that are going around the 2026 accordingly to the projects that we are putting especially in our plants. So, this is fully confirmed, we saw

the impact in the first quarter of EUR43 million accordingly to the timing of the project that we would foresee for Q2 and Q3 a slightly lower amount and then to arrive to EUR150 million for the full year. On top, given the overall macroeconomic situation we are doing an exceptional mitigation plan on cost mainly on the G&A part which will be on top of this EUR150 million which are fully confirmed.

Operator

Mr. Tronchetti Provera, there are no more questions registered at this time.

Marco Tronchetti Provera – *Executive Vice Chairman*

Thank you. So this ends our presentation. I thank you for the attendance all of you, and I wish you a very good evening.