



9M 2025 Results

Milan
November 6th, 2025

Pirelli & C. S.p.A.
9M 2025 Results
Conference call transcript
November 06th, 2025

Marco Tronchetti Provera - Executive Vice Chairman

Key messages

» 9M'25 results: delivering solid execution despite external challenges

- Sound organic growth: +3.7% YoY driven by the continuous price/mix improvement
- Best-in-class Profitability: internal levers successfully offset FX, raw mat/inflation and tariffs impacts
- Solid cash flow generation in 3Q supported by Operating Performance & disciplined Working Capital management

» Technological leadership confirmed:

- Cyber Tyre recognized as the most innovative V2X (Vehicle-to-Everything) technology at Autotech Breakthrough awards 2025
- Aston Martin will integrate Cyber Tyre technology into future luxury vehicles thanks to our collaboration with Bosch Engineering
- Cinturato AS SF3 acknowledged as best All-Season tyre by major European sector magazines

» FY 2025 outlook confirmed:

- External context remains volatile with USD still weak vs EUR
- Consumer Demand still holding, with High Value outperforming Standard
- All targets confirmed thanks to a solid organic growth and the effectiveness of our internal levers



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Good evening, Ladies and Gentlemen,

The results for the first nine months of 2025 highlight the resilience of our business model, capable of generating value in a challenging external environment, marked by geopolitical and trade tensions and high exchange rate volatility.

We closed the first nine months with:

- ▶ **Organic revenue growth of 3.7%**, thanks to the effective commercial strategy that has enabled us to gain market share in the High Value segment
- ▶ **Profitability** that remains the best among our peers;
- ▶ **Solid cash generation in Q3**, supported by improved operating performance and careful working capital management.

The international evolution of the Cyber Tyre and the continuous product innovation have contributed to strengthen our technological leadership:

In the US, Cyber Tyre was acknowledged to be the most innovative '**Vehicle-to-Everything**' technology by **Tech Breakthrough**, a leading platform for innovation in the automotive industry. This award confirms the role of Cyber Tyre as a central element for the smart mobility of the future, which includes autonomous driving, connected vehicles and the digitisation of infrastructure;

We have also signed an **agreement with Aston Martin** to integrate Cyber Tyre technology into the British manufacturer's upcoming models, introducing advanced features;

Finally, **our leadership in product innovation** was recognized by major European sector magazines which elected the Cinturato AS SF3 as the best all-season tyre in Europe. This

achievement positions us as the reference benchmark for performance and safety — two of the Pirelli brand's distinctive pillars.

The macroeconomic environment remains volatile, with limited global economic growth weighed down by:

- ▶ US trade tariffs
- ▶ the significant weakness of the dollar
- ▶ Input cost inflation.

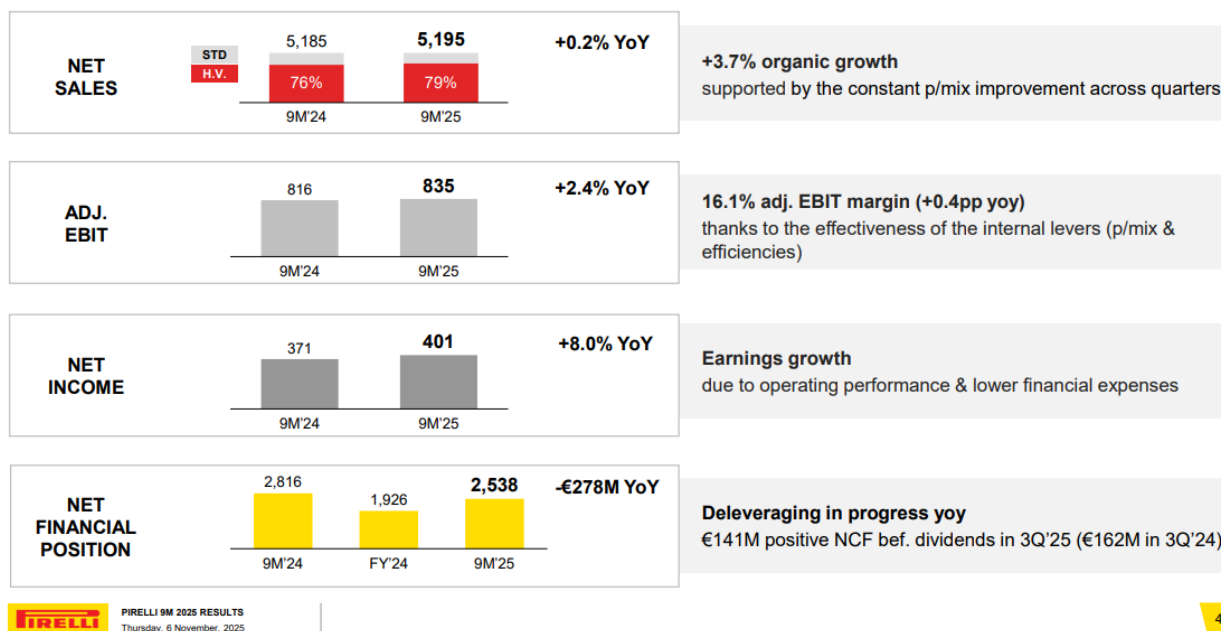
In this scenario, we are continuing with our commercial strategy of strengthening our position in High Value, the most resilient market segment which is expected to grow mid-single digit over the year.

We confirm all our targets for 2025, driven by solid organic growth and the effectiveness of our internal levers.

I now give the floor to Mr Casaluci

Andrea Casaluci - Chief Executive Officer

9M 2025 Financial Results: a solid execution in a challenging external environment



Thank you, Mr Tronchetti, and good evening, everyone.

The results for the first nine months of 2025 are among the best in the industry

- **Revenues of approximately €5.2 billion, up 3.7% net of FOREX**, due to the strengthening of High Value, which accounts for 79% of the Group's Sales, up 3 percentage points year-on-year;
- **Profitability** at 16.1%, up year-on-year, supported by the effectiveness of internal levers that more than offset the impact of exchange rates, tariffs and input cost inflation;
- **Net income** improved: +8% thanks to operating performance and lower financial expenses;
- **Continued deleveraging**, with a year-on-year reduction in debt of approximately €280 million. Solid cash generation before dividends in the third quarter: €141 million, also driven by rigorous inventory management

Sustainability: a strategic lever for innovation, growth & competitiveness

Fully supported by the engagement of our people

PRODUCT 	» >70% Bio-based & Recycled materials in best product: <i>PZero for JLR launched in July 2025</i> » FSC-certified natural rubber: <i>on track to 100% EU production by the end of 2026</i> » Eco-Safety Sales: <i>on track to >35% of 2025 volumes sold in A+B¹ classes of EU energy label</i>	PEOPLE » Safety first: <i>Accident Frequency Index² on track to ~1 in 2025 (vs 1.41 in FY24)</i> » Employee engagement for energy efficiency projects » Upskilling & reskilling focus on digital transformation, excellence in operations, climate science 
OPERATIONS 	» Scope 1+2 Emission reduction: <i>on track to -60% vs 2018 by the end of 2025</i> » Purchased Renewable Electricity: <i>100% in all factories</i> » Reducing dependency from fresh water: <i>on track to -36% vs 2015 in 2025</i>	



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1. Percentage of tyre sales by volume with Rolling Resistance and Wet Grip ratings in classes A or B, according to the EU energy efficiency label (Tyre Labelling Regulation 2020/740). Labelling scales from non-EU countries are converted into equivalent EU grades.

2. Frequency Index calculated on 1,000,000 worked hours.

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Over the past nine months, we kept to our commitment to sustainability, a strategic lever for innovation, growth and competitiveness.

We are developing increasingly **sustainable products** to meet the needs of customers who are keen to combine safety with environmental responsibility:

- ▶ With Jaguar Land Rover, we created the first tyre in the PZero family with over 70% *bio-based* and recycled materials.
- ▶ In addition, the natural rubber contained in this tyre is FSC certified, which we expect to extend to our entire production in Europe in 2026.
- ▶ Demand is growing for our Eco-Safety products, which fall within classes A and B of European labelling for both safety and energy efficiency.

Also in our **operations**, the results in terms of environmental efficiency are tangible, with effects on plant management:

- ▶ We are continuing to reduce Scope 1 and 2 emissions, aiming at a 60% reduction by the end of the year
- ▶ 100% of the electricity purchased for our plants worldwide already comes from renewable sources
- ▶ By the end of the year, we aim to reduce specific water withdrawal at sites located in high water stress areas by 36% compared to 2015.

All this is made possible by the fundamental contribution of our **people**. First and foremost, we are promoting workplace safety actions with the aim of bringing the accident frequency rate to around 1 by the end of the year. At the same time, we are investing in digital skills and operational excellence, promoting engagement action to encourage ideas and projects aimed at energy efficiency and continuous improvement.

9M 2025 Results: leadership enhanced through key strategic programs

		
COMMERCIAL PROGRAMS	INNOVATION PROGRAMS	OPERATIONS PROGRAMS
Market share gain in Car ≥18" » 9M'25: PI +5% vs. +4% Mkt » 3Q'25: PI +5% vs. +3% Mkt in 3Q	Enlarging our HV portfolio » Unique homologation portfolio in ≥19" » New products: 7 Car, 6 Two-Wheels » Cyber Tyre Innovation advancing worldwide	Boosting competitiveness » ~€117M efficiencies (~78% of FY tgt) » Manufacturing will drive 4Q benefits


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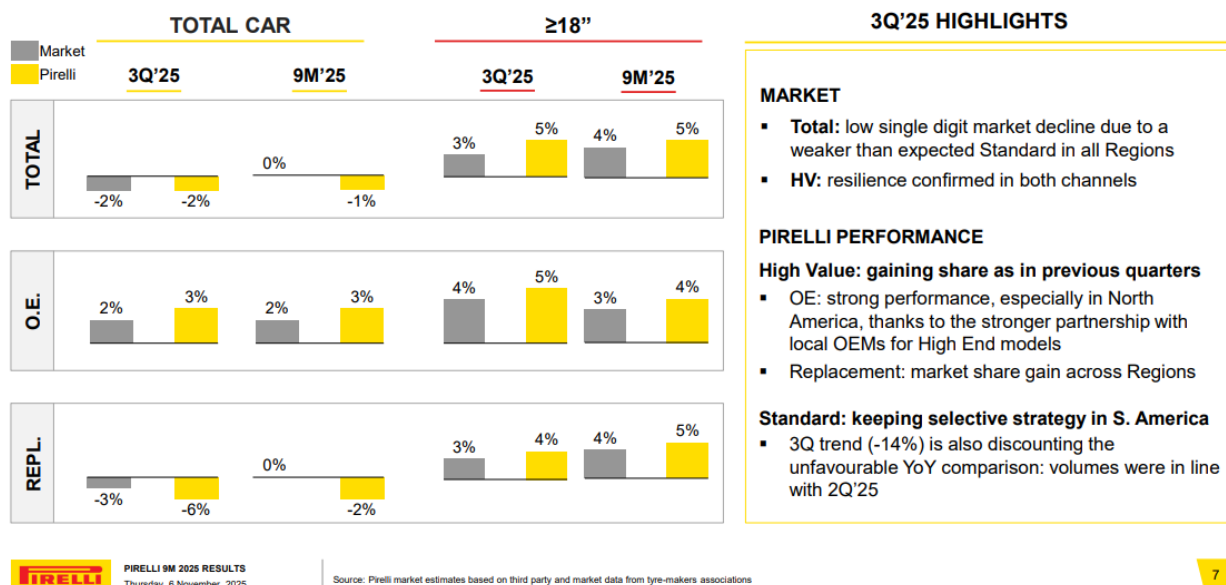
Let us now move on to a detailed analysis of our operating performance.

The implementation of our **strategic programmes**, as we will see in the next few slides, has enabled us to strengthen the *leadership* in three main areas:

- ▶ we gained market share in High Value, with a +5% volume growth rate in the Car segment.
- ▶ We consolidated the technological leadership through:
 - the expansion of our homologation portfolio;
 - the launch of new products (7 for cars and 6 for two-wheelers), and
 - the international development of the Cyber Tyre technology.
- ▶ Finally, we improved our competitiveness, with profitability that remains the highest among Tier 1 players.

Strengthening our leadership in the High Value Market

Gaining share in Car $\geq 18''$ in both channels, while still reducing the exposure to Standard



Let's start with commercial performance.

We strengthened the positioning in the Car $\geq 18''$ with a steady mid-single-digit growth in each quarter, gaining market share in both channels:

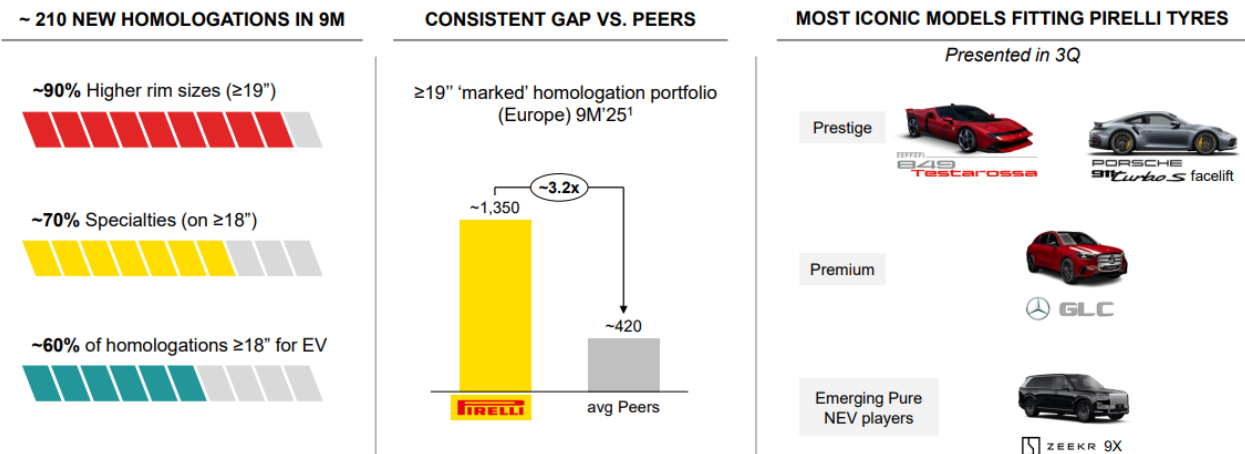
- In **Original Equipment**, especially in North America through the consolidation of partnerships with local car manufacturers;
- in **Replacement**, in all Regions, leveraging product innovation and the effectiveness of the pull-through strategy.

We continued to reduce our exposure to Car $\leq 17''$, especially in South America, where we revised our distribution policy to focus on the most profitable products and channels.

In the third quarter, we recorded stable Standard sales in absolute terms compared to the second quarter, while the more significant year-over-year decline (-14% in 3Q vs. -11% in 2Q) reflects an unfavourable comparison basis.

A Superior Portfolio of Homologations Secures Future Growth

Leveraging on best-in-class technology and partnerships with leading Premium & Prestige OEMs



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1. @October 2025 German Pricelist (no off-road, no Winter Nordics)

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Let's move on to the innovation programme.

We continue to strengthen our technological leadership in the segments with the highest value.

In the first nine months of the year, we obtained approximately **210 new homologations**, mainly for ≥19", Specialties and EV cars.

These results prove the strength of our partnerships with leading manufacturers, including:

- both **Premium and Prestige** models such as Ferrari 849 Testarossa, Porsche 911 Turbo S and Mercedes GLC, and
- emerging pure electric models such as Zeekr 9X in China.

We can count on a portfolio of homologations that is unique among Tier 1 players: **in Europe** approximately **1,350 in car tyres ≥19"**, more than **three times the average of our competitors**.

Pirelli products recognised as top-notch in the industry



PZero E (launched in 2023) wins International **Compasso D'oro Prize**

- » **First tyre ever to win** one of the world's most prestigious industrial design awards
- » Awarded for "combining environmental awareness with high performance, safety, efficiency and comfort"





Cinturato All Seasons SF3 awards (launched in 2024)

- » Ranking #1 in **Autobild** and **Tyrereview** test
- » Particularly recommended for sporty driving behaviour and high safety on dry and wet roads





New Cinturato Winter 3 (launched in October 2025)

- » The new high-performance winter tyre for sedans and crossovers
- » Received the **TÜV Premium Quality Mark** and it has been tested by **DEKRA**
- » Performance takes a step forward thanks to **virtual development** and **advanced testing methodologies**





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Our products have received important awards, confirming the technological *leadership* and ability to innovate:

- At Expo 2025 in Japan, the **P Zero E** received the prestigious **Compasso d'Oro International Award**, one of the world's most important prizes in the field of industrial design. It is the first tyre ever to receive this award. It was given for its ability to combine environmental sustainability, high performance, safety, efficiency and comfort in a single product.
- The **Cinturato All Season SF3** ranked first in tests conducted by AutoBild and Tyrereview, for its sporty behaviour and high safety levels on both dry and wet roads.
- Finally, we recently presented the new **Cinturato Winter 3**, a tyre for sedans and crossovers, which stands out for its high performance on snow and wet surfaces in tests conducted by TÜV SUD and DEKRA. These results were also achieved through the **virtual development of materials**, supported by **Pirelli's Virtual Compounder**, a tool based on generative artificial intelligence that accurately selects the most effective material combinations and optimises the production process.

Winning the 2025 Autotech Breakthrough award



Vehicle-to-Everything (V2X) Innovation of the Year

"Cyber Tyre is a key technology for the future of smart mobility, which includes autonomous driving, connected vehicles, and the digitization of infrastructures."

By integrating intelligence directly into the tyre, Pirelli Cyber Tyre makes transport systems safer, as well as sustainable and data-driven"



New partnership with ASTON MARTIN

New project with Bosch for future Aston Martin vehicles, with innovative functions:

- » **Braking space reduction:** dynamic ABS settings optimization to the specific Tyre ID
- » **Enhanced Tyre Menu:** advices for optimal tyre settings (*i.e. temperature, pressure*) for a customer enhanced experience



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An update on **Cyber Tyre** and global technological and commercial developments.

Pirelli Cyber Tyre was named "*Vehicle-to-Everything Innovation of the Year*" at the **AutoTech Breakthrough Awards 2025**. This prize certifies the high level of innovation of the technology and consolidates its position in the smart mobility of the future.

Cyber Tyre is a key component for **Software-Defined Vehicles**, providing the car's electronics with detailed information on tyre status and road surface conditions, with tangible benefits in terms of **safety, performance and efficiency**.

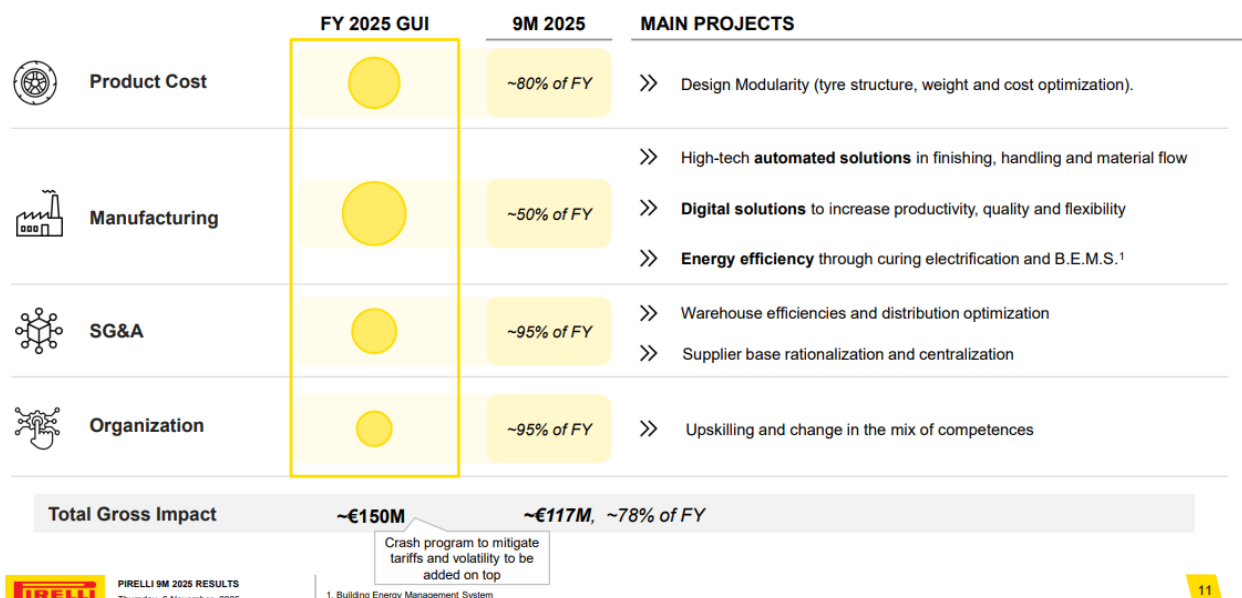
Cyber Tyre contributes to the development of **smart roads** and **smart cities**, where the data collected is essential for urban mobility planning and infrastructure maintenance.

During the third quarter, an important agreement was signed in the OEM world:

- **In Europe, a commercial partnership was launched with Aston Martin**, which will be fitting future models with the Cyber Tyre system. **Braking Space Reduction** is among the new features introduced; it optimizes ABS performance based on the specific characteristics of the tyre.

9M'25 Efficiencies in line with programs development

Efficiencies reached ~78% of the annual target; Manufacturing programs will drive Q4 benefits



Let us now analyse the results of the Operations programmes.

In the first nine months of 2025, in line with expectations, these programmes generated **gross efficiencies of €117 million, 78% of the annual target.**

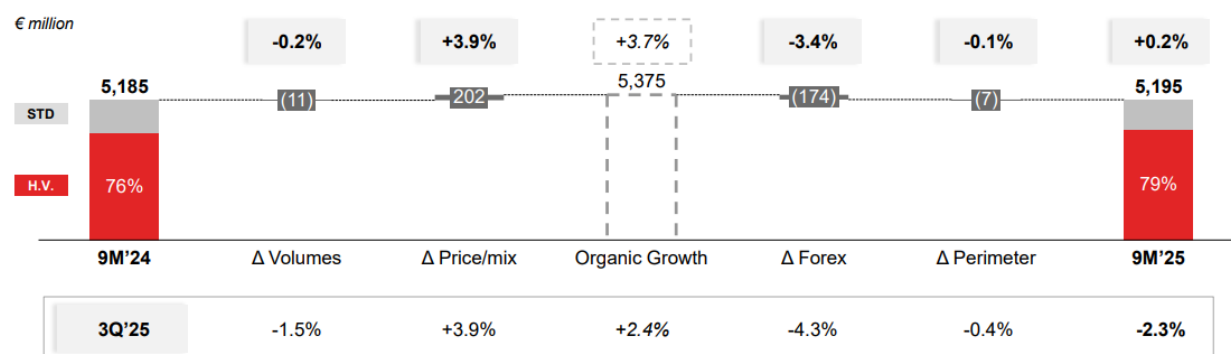
The progression of individual projects varied:

- ▶ The **Product Cost** project, based on the adoption of innovative design programmes such as *Design Modularity* and *virtualisation*, achieved **80% of the benefits expected for the year.**
- ▶ The **SG&A** and **Organisation** projects almost completed the development of the planned programmes, generating efficiencies through:
 - the rationalisation of the supply chain and the optimisation of logistics;
 - the digitisation of processes, and the upskilling of personnel.
- ▶ Finally, the **Manufacturing project:** as anticipated, given the seasonal nature of the projects, it achieved approximately 50% of the **benefits expected for the year** and will be the main driver of efficiencies in the **fourth quarter.**

I now give the floor to Mr Bocchio.

9M 2025 Sales bridge

Sound organic growth driven by continuous price/mix improvement



>> **Volumes:** HV growth in line with 1H (+5% Car ≥18") while keeping a selective strategy on Standard, discounting a tough YoY comparison (+3% in 3Q'24)

>> **Price/Mix:** consistent with the previous quarter, mainly driven by product and region mix

>> **Forex:** US\$ weakness and LatAm currencies volatility; >> **Δ perimeter** due to Dacia AB de-consolidation



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Thank you and good evening.

Let us now analyse in detail the performance of the first nine months of 2025 compared to the previous year.

Revenues, amounting to €5.2 billion, recorded an organic growth of +3.7%; essentially stable including exchange rates and the perimeter delta.

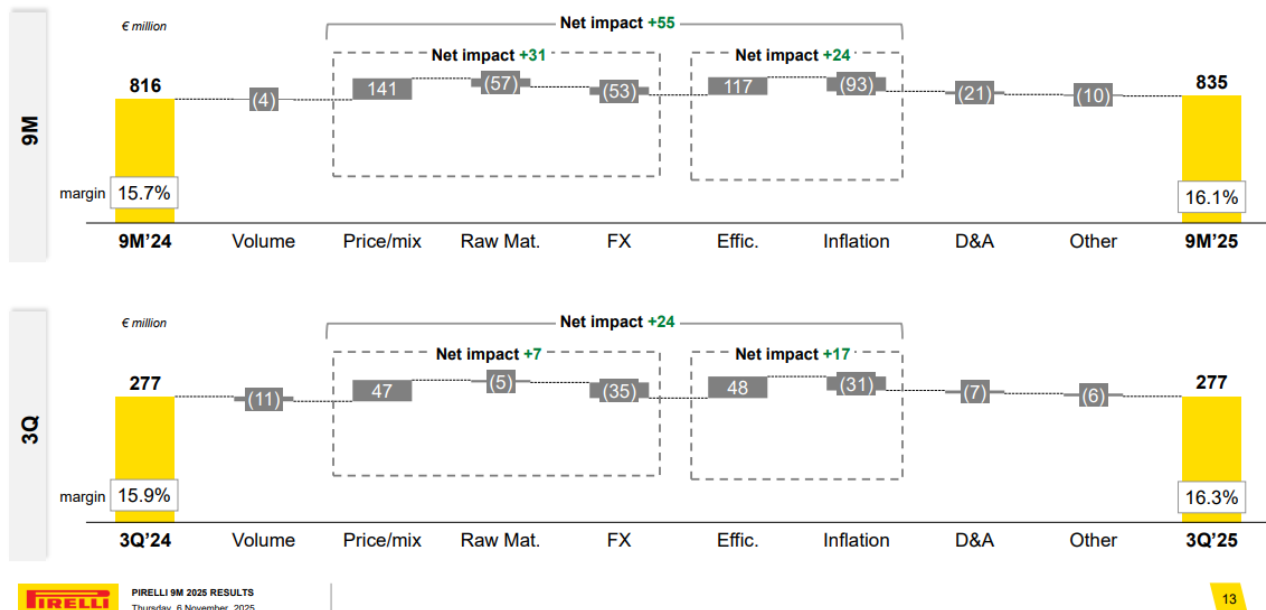
High Value revenues amounted to €4.1 billion, accounting for 79% of group revenues, up 3 percentage points compared to last year. The lower weight of High Value in Q3 (78%) compared to the first half of the year (80%) is linked to the seasonality of the motorcycle business, whose sales are concentrated in the first half of the year.

Let's now move on to the individual drivers:

- ▶ The trend in **volumes** (-0.2%) reflects the opposite dynamics of High Value and Standard, as already described by Mr Casaluci.
- ▶ The growth in **price/mix** (+3.9%) was solid and steady in the three quarters, driven by the product and Region mix, while the channel mix was slightly negative, given the sales performance of Original Equipment.
- ▶ The impact of **exchange rates** (-3.4%) reflects the depreciation of the US dollar and emerging market currencies against the euro.
- ▶ Finally, the change in perimeter (-0.1%) is due to the deconsolidation of the Dacia AB business, which was sold in the second quarter of 2025.

9M 2025 Adjusted EBIT

Strong price/mix contribution and efficiencies support profitability improvement, offsetting external headwinds



Adjusted EBIT for the first nine months amounted to €835 million, up by approximately €20 million compared with the previous year, with a margin of 16.1%, compared with 15.7% for the first nine months of 2024.

The improvement in profitability is linked to the effectiveness of internal levers.

More specifically:

- ▶ The positive contribution of **price/mix** for €141 million more than offset the increase in the cost of **raw materials** for €57 million and the 53 million euro **negative impact of exchange rates** due to the dynamics already described.
- ▶ The balance between **efficiencies** and **inflation** was positive for €24 million, thanks to the benefits of competitiveness programmes.
- ▶ Finally, there was the negative contribution of **volumes** (-€4 million), **depreciation and amortisation** (-€21 million) and **other costs** (-€10 million).

The gross impact of US tariffs was €35 million, approximately €13 million net of the mitigation plan.

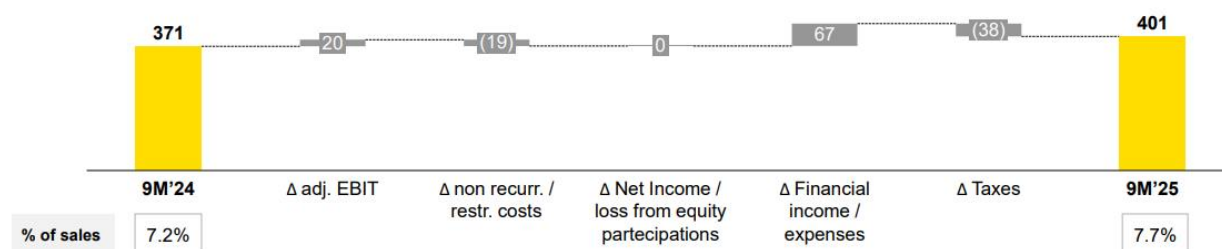
In the third quarter, adjusted EBIT was €277 million, stable year-on-year: price/mix and efficiencies fully offset all headwinds.

Profitability stood at 16.3%, improving both year-on-year (+0.4 pp) and compared to the second quarter (+0.3 pp).

9M 2025 Net Income

Earnings supported by the sound operating performance and lower interest expenses

€ million



>> **Financial Income & Expenses:** €159M in 9M'25 (€226M in 9M'24) due to both lower interests on debt and non-cash items

>> **Income Taxes:** 30.0% tax rate (vs. 26.5% in 9M'24) no longer benefitting from Italian incentives



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Let us now move on to analyse the **net income**.

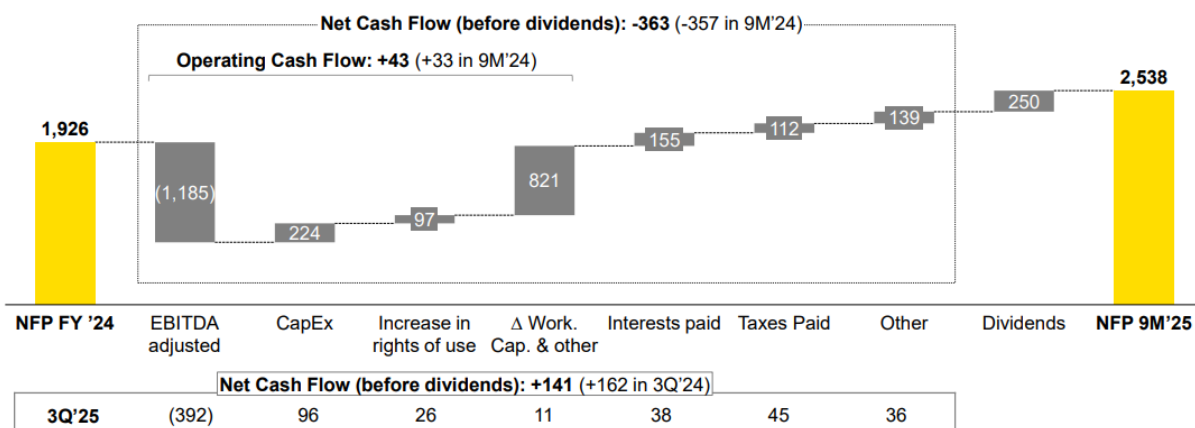
In the first nine months, we achieved profits of €401 million, up 8% compared to €371 million last year. This trend reflects:

- ▶ The improvement in **operating performance** for €20 million
- ▶ An increase in non-recurring expenses, of €19 million, mainly related to higher lay-off and write-off costs in South America, where the process of optimising Standard capacity is underway, with the shutdown of some machinery and streamlining of the organisation;
- ▶ **A reduction in net financial expenses** of €67 million, driven by both reduced debt and interest rates, and a lower non-monetary impact from hyperinflation accounting.
- ▶ **Finally, the increase in taxes** of €38 million is mainly linked to the loss of tax benefits that were included in the first nine months of 2024. The tax rate is 30%, in line with expectations for the year.

Starting next year, in the absence of tax benefits (Patent Box and ACE in Italy) and extraordinary items, the tax rate is expected to settle between 32% and 34%.

9M 2025 Net Financial Position

Sound cash generation in 3Q



>> **NWC:** Careful inventories management with stock decreasing quarter on quarter (20.7% in Q3, 21.2% in Q2, 22% in Q1)



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Pirelli closed the first nine months of 2025 with a negative **Net Financial Position** of approximately €2.54 billion.

Operating net cash flow was positive at €43 million, in line with the seasonality of the business. This result is an improvement compared with the same period of 2024, mainly supported by the operating performance mentioned above

Working capital absorption remained similar to previous year trend thanks to:

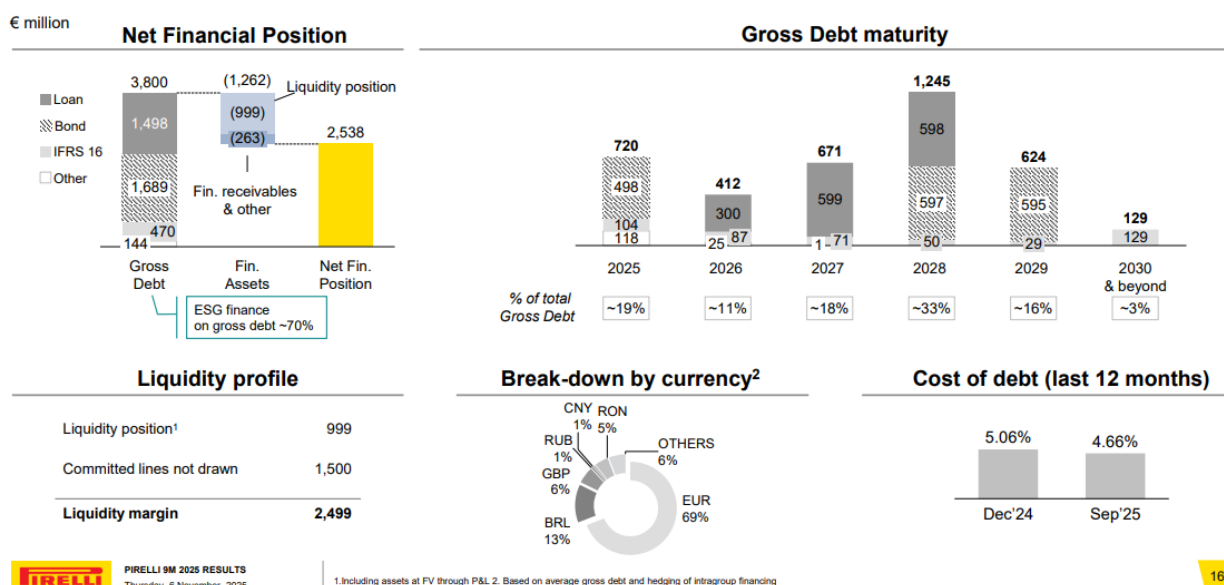
- ▶ efficient inventory management, with a decreasing incidence over the quarters, and
- ▶ the usual seasonality of trade receivables (approximately 24% of revenues) and trade payables (15% of revenues).

Net cash flow before dividends was negative by €363 million, not only discounting financial and tax expenses, but also the impact of tariffs and exchange rate depreciation.

Net cash flow before dividends for the third quarter of 2025 was positive by €141 million, basically aligned with the €162 million generated in Q3 2024)

Gross Debt structure as of September 30th 2025

Cost of debt at 4.66%, in reduction mainly driven by decreasing rates in the euro area.
ESG linked financings on track with 2025 targets



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As of 30 September 2025, Pirelli had a **gross debt of approximately €3.8 billion**, financial assets of €1.3 billion and a net financial position of approximately €2.5 billion.

The **liquidity margin, of approximately €2.5 billion**, covers debt maturities until the last quarter of 2027.

The average cost of debt over the last twelve months stood at 4.66%, down from 5.06% at the end of 2024, due to more favourable interest rates in the euro area and a reduction in the portion of debt in countries with high interest rates.

Sustainable finance continues to account for approximately 71% of the Group's gross debt, or 84.4% if we consider the holding company's debt, fully in line with the 100% target announced for the end of 2025.

Pirelli's financial structure, therefore, remains resilient and sustainability-oriented, with careful management of maturities and liquidity, supporting the Group's growth strategy.

I now return the floor to Mr Casaluci.

Andrea Casaluci - Chief Executive Officer

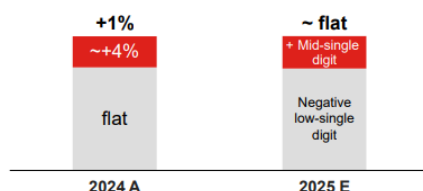
Car Tyre demand in 2025: High Value Resilience confirmed

Global car tyre market

YoY % growth

■ $\geq 18''$

■ $\leq 17''$



» **OE:** flattish demand due to weak car production in EU & North America

» **REPLACEMENT:** flat globally, slightly positive in EU & APac

» **Car $\geq 18''$:** mid-single digit demand for Replacement and positive low-single digit of OE growth

» **Car $\leq 17''$:** demand declines YoY both in OE & Replacement

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



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Thank you, Mr Bocchio.

Let's now move on to the market outlook for 2025.

Based on trends in the first nine months and expectations for the last quarter, **the forecast is for a Car Tyre market that is essentially flat year-on-year:**

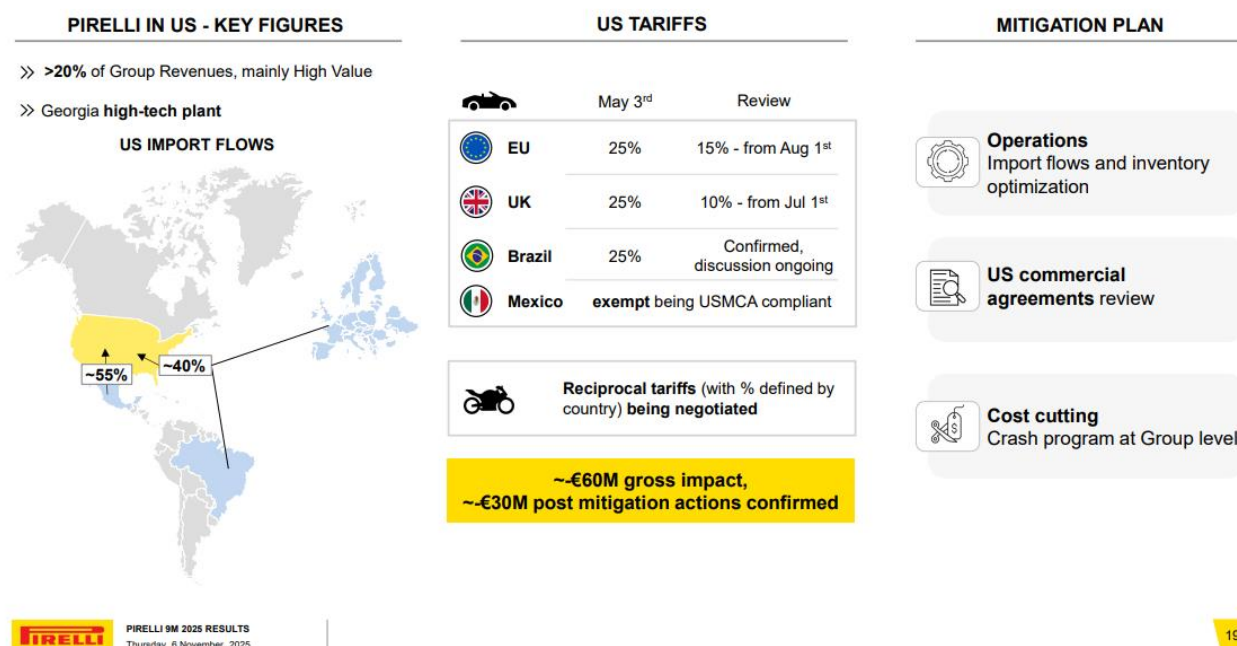
- ▶ The High Value segment remains the most resilient, with expected growth in the *mid-single digits*
- ▶ **In car $\leq 17''$,** demand for the year is expected to decline by a *low-single-digit*.

In this scenario, Pirelli confirms its strategy of strengthening in Car $\geq 18''$ with a gain in market share in both channels.

In the fourth quarter, we expect our volumes to grow thanks to the outperformance of the High Value segment:

- **in particular in Original Equipment**, where we will benefit from the consolidation of partnerships with local manufacturers in APAC and North America and a more favourable year-on-year comparison: in 4Q'24, OE sales in the EU and NA were negative in line with car production;
- **on Replacement $\geq 18''$,** we will continue to gain market share in the main Regions
- ▶ Finally, in Car $\leq 17''$, we will continue to reduce our exposure to less profitable products and channels.

US Tariffs impact and mitigation plan



The tariff scenario has become clearer, even though bilateral negotiations with the US administration are still ongoing.

Under current regulations, we are subject to the following US tariffs:

- ▶ on imports of car tyres **from Europe**: 15% from August 1 (replacing the previous tariffs and the additional 25% tariff applied from May 3 to July 31);
- ▶ on imports from the UK: 10% additional tariffs from July 1 (25% additional duty from May 3 to June 30);
- ▶ on imports **from Brazil**: 25% additional tariffs from May 3; negotiations are ongoing with the US administration
- ▶ no tariffs on imports **from Mexico** as our products are USMCA compliant;
- ▶ Finally, universal tariffs on imports of motorcycle and bicycle tyres from all countries, with percentages varying according to the country of origin.

For 2025, we confirm the estimated gross impact of €60 million for the year, €30 million net of the mitigation plan, which was implemented starting in the second quarter.

FY 2025 Targets confirmed: a better price/mix is offsetting a softer volume growth

€ billion	2024	2025	
	Act	July Guidance	November Guidance
Net Sales	6.77	~ 6.7 ÷ 6.8	~ 6.7 ÷ 6.8
Adj. EBIT Margin	15.7%	~ 16%	~ 16%
CapEx % of Sales	0.42 6.1%	~ 0.42 ~ 6%	~ 0.42 ~ 6%
Net Cash Flow bef. Dividends	0.53	~ 0.55	~ 0.55
Net Financial Position NFP / adj. EBITDA	1.93 1.27x	~ 1.6 ~ 1.0x	~ 1.6 ~ 1.0x
ROIC*	23.2%	~ 23%	~ 23%

Volumes: ~ +1%
Price/Mix: ~ +3% ÷ +3.5%
Organic growth: ≥ +4%
Forex: ~ -4.5% ÷ -4%

Volumes: ~ +0.5%
Price/Mix: ~ +3.5% ÷ +4.0%
Organic growth: ≥ +4%
Forex: ~ -4%
Δ Perimeter: ~ -0.5%



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(*) Net Invested Capital adjusted for goodwill and PPA intangibles and Tax rate adjusted in FY2023 for 2020-2022 Patent Box impact

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The results achieved in the first nine months make us confident that we will meet our targets for 2025.

Our forecasts are for revenues of between ~€6.7 and ~€6.8 billion, with:

- ▶ slightly higher volumes: approximately +0.5% (~+1% in the previous guidance);
- ▶ price/mix improving between ~+3.5% and ~+4.0% compared to the +3% ÷ +3.5% previously indicated;
- ▶ negative currency impact now expected to be ~-4% (compared to the previous -4.5% ÷ -4%);

Profitability is confirmed at around 16%.

Investments are expected to amount to ~€420 million (~6% of revenues)

Cash generation of around €550 million and the resulting deleveraging target are confirmed.

Thank you, and I now return the floor to Mr. Tronchetti for the final remarks

Marco Tronchetti Provera - Executive Vice Chairman

Thank you, Mr. Casaluci,

The results for the first nine months confirm the effectiveness of our strategy.

Faced with the challenges of the external environment, we reacted with determination, speed, and coordination:

- ▶ seizing opportunities for growth in High Value and improving the mix;
- ▶ accelerating competitiveness programmes
- ▶ successfully implementing de-risking actions, as in the case of US tariffs, and
- ▶ maintaining careful management of inventories and working capital.

This ability to react and the solidity of our business model make us confident that we will achieve our 2025 targets and, at the same time, guarantee one of the best performances in the industry.

This ends our presentation.

We may open the Q&A session.

Questions & Answers

Monica Bosio – Intesa Sanpaolo

Good evening everyone and thanks for taking my questions. I have three questions:

- The first one is a general question on the inventories level. How do you see the inventories level overall and for the High Value tyres? Maybe if you can split between regions it would be really appreciated. I'm just wondering if you see a softening in Replacement. It seems to me that it's a little bit weaker than initially expected, but maybe I'm wrong.
- The second one is on the levers the Company has to further improve the profitability next year. Maybe volumes could be better, price mix will keep strong; are you planning a further efficiency plan? And if yes, if you can elaborate on this please?
- And the third question is on the Raw mat. It seems to me that 2026 could benefit from tailwinds from raw mat. If you can elaborate a bit on this. Thank you very much.

Andrea Casaluci - Chief Executive Officer

Thank you for your questions. The stock level is quite normalized all around the world in all geographies. Clearly in the European countries, due to the winter season that has just started, the stock level is high. But that's normal in this part of the year. So, the pre booking in winter was pretty good and we are now all waiting for the sellout season. That will depend on the weather conditions. The weather in October was very sunny and good, so let's see what will happen in November and December. But all in all, the stock level is well balanced.

The market Replacement in Q4 is expected to be as in the first nine months, roughly +4 ÷ +5% in the High Value Replacement in all regions. We do expect good performance in China around +4% ÷ +5% and also in Europe, even if it will be linked to the weather conditions.

It is too early to have all the figures for 2026 profitability, we will present it at the beginning of 2026. What we can anticipate you that we plan to have an efficiency plan aligned with what we did in the last two years, including 2025. We are working to accelerate all our programs in terms of automation, digitization and electrification of our factories in order to assure roughly the same running rate of efficiency we had in the last two years. A tailwind on raw materials is also expected, mainly in the first half; due to the figures we have and the COGS impact, we can estimate today that we are in the between of €30 ÷ 40million benefits, all concentrated in the first half of 2026.

Thank you.

Monica Bosio – Intesa Sanpaolo

Perfect. Thank you. If I may, a follow up on the tariffs for the next year given that they will be based on 12 months should be higher. Do you have any rough indication?

Andrea Casaluci - Chief Executive Officer

Yes. Based on the duties scenario we presented in our market presentation before, we do expect a net impact for 2026 similar to the impact of 2025. I remind you that the net impact in 2025 is expected to be around EUR30 million negative. With the actual scenario, if nothing will change, which is difficult to predict because as you see is a scenario under development, the impact is expected to be more or less the same, in the ballpark of EUR30 million, all concentrated in the first half because it is where we have the negative comparison with last year. Thank you.

Harry Martin – Bernstein

Good evening everyone. I've got a couple of questions.

- The first one, I wanted to ask your latest perspectives on new competition from some of the Asian competitors. We hear plenty from the Chinese about developing 18" and above tyres targeting the premium vehicle segment. So, any latest perspective you have on the technology gap and whether you see that closing or widening as the competitive landscape evolves. We noticed the BYD Yangwang that recently did the land speed record was not on a European tyre, it was on a Giti tyre. So it'd be good to hear your latest perspectives there.
- The second question is about the governance situation. I wondered whether you had or have looked or would look at doing a stock funded acquisition as a solution to the ownership issue which would effectively dilute the existing shareholders ownership rights. I'd be interested to hear whether that was something under consideration.

Marco Tronchetti Provera - Executive Vice Chairman

Thank you for your questions. I answer the question related to governance. The answer is no. As everybody knows, the government is negotiating with the parties in order to solve the problem of governance but is not on the table anything related to any extraordinary kind of transaction.

Mr. Casaluci, please.

Andrea Casaluci - Chief Executive Officer

Yes, thank you. The answer is no also on the first question, because we see that the Chinese tyre makers are growing in terms of volumes and market share, including in China, but are not affecting the highest technology, the high-tech segment of the products. We don't find any single Chinese tyre maker in the prestige segment. Very, very limited presence in the premium segment. So, the gap in terms of technology is still very high.

Even though they are affecting the European markets in the lowest segment. Just to give you a couple of numbers, the trade down in the 16-inches and below tyres in Europe is huge. If we compare the weight of the imported Tier 2 - Tier 3 brands in 2025 with 2019, in the last six years, the weight of the Tier 1 went down around 30% moving from roughly 60%, 55%

in 2019 down to 30% in 2025. So, as you see, the trade down is visible, is affecting the market, but in the Standard segments.

In the homologated tyre segment, 19-inches and above market tyres, where Pirelli is targeting its strategy, the weight of Tier 1 players, it remains stable above 90% of the total market. So, we feel well protected.

Thank you.

Martino De Ambroggi – Equita

Thank you. Good evening everybody.

- Sorry to bother you with the governance issue, but just to understand, we read some statement from the Minister Urso about ongoing negotiation. My question is not on specific subject but just to have an idea: is there any ideal time limit in order to solve the US issue before this could become problematic?
- The second is on the pricing in the US, because one of your competitors was misplaced in the US pricing environment and rethinking the policy. What's your feeling and your picture for the US market? Thank you.

Marco Tronchetti Provera - Executive Vice Chairman

Thank you for the question, starting with the first one. There are obviously time limits, the BIS law related to connected vehicles is asking that by March 17 next year all car makers declared that they do not have any "Chinese software" included, according to the BIS laws. That is what we have as a limit. Thank you.

Andrea Casaluci - Chief Executive Officer

On the pricing in US as we said also in the last call, what we are doing in US market to mitigate or partially mitigate the duties impact is to renegotiate the commercial conditions with all the customers. The approach is different by channels, with carmakers and with Replacement market distributors. What we do is to review at 360 degrees the commercial condition, it is not only a question of price, it's also a question of incoterms, stock target and so on. This is one of the key pillars of our mitigation plan against the duties' impact. Thank you.

Martino De Ambroggi – Equita

If I may follow up, you do not perceive any specific unbalance in the sector overall. So, are you able to implement your strategy without any big issue?

Andrea Casaluci - Chief Executive Officer

Yes, problems of course are there, but we are managing and as you saw in the numbers, we have been able to mitigate at least half of the impact. And this has been done through cost reductions at 360 degrees in the company on top of the efficiency plan, inventory management and reallocation to more competitive sources and also commercial conditions, including price.

Akshat Kacker – J.P Morgan

Good evening. Thank you for taking my questions. I have three, please.

- The first one on the volume outlook for the full year. You're still expecting growth of 50 basis points, which implies a strong Q4. Could you just give us more details in terms of where that growth is coming from and if you expect price mix trends to remain stable like they have in the last few quarters. That's the first question.
- The second one is just on overall business development, specifically in the High Value business in China or APAC. Could you just give us more insight on how the business has performed in Q3 or in the first nine months and how are you expecting volumes to trend into Q4, please?
- The last one is on Standard tyres and specifically on the South American business. How are you thinking about profitability for your Brazilian operations going forward? Given the high competition from Chinese imports and the additional tariffs on exports into the US. I see you have also implemented additional restructuring in the quarter; is that linked to South America? Just wondering how you're thinking about the Standard tyre business going forward. Thank you so much.

Andrea Casaluci - Chief Executive Officer

Thank you for all the questions.

Volume wise we do expect on the High Value segment the last quarter to be in line with the nine months; roughly 5% ÷ 6% growth in the market in the last quarter, with different speed. We do expect a Replacement market to be a bit faster with a growth around 7% more or less, mainly driven by Europe and North America. While in the Original Equipment is the other way around, we do expect lower growth around 3% and mainly driven by China, that is the market where the Original Equipment is performing better in the High Value segment mainly supported by the electrification of the car park.

Price mix is also expected to be positive in the last quarter around 3% roughly, a bit below the average of the first nine months. This is mainly driven by negative channel mix because, due to a more favorable comparison versus last year, we do expect to grow in the Original Equipment in the last quarter faster than what we did in the first nine months and this will affect slightly negative the price mix. Anyhow, we remain in the ballpark of 3% ÷ 3.3% growth in the last quarter supported as always by the product mix and the slight positive price.

High Value China is performing very well, it is a fast-growing market in the regional equipment as I said before, mainly driven by the electrification of the car park. More than

50% of the new car registrations are driven by new electric vehicles, including pure electric, hybrid plugin or REV. We are surfing this market, because we have been able to grow a market share with the most important Chinese premium newcomers like Li Auto, Nio, Aito Series, Zeekr, the high end of BYD and Geely and so on. Today we have a market share with these customers that is even higher, slightly higher than the average market share we have with traditional European car makers. This is helping us to grow faster than the market in the Original Equipment. We do expect a pull through effect also in the Replacement market in the coming years, because electric vehicles require good tires, because they are heavier, they have a stronger torque momentum, they need noise control and so on. And so, we do expect a good level of pull through in the Replacement channel.

Profitability on Standard, at the group level it remains in the high single-digit, not at the level we would like to have, so double-digit, not yet. South America Standard profitability more or less is reflecting the average of the Group, because half of the Standard sales are concentrated in South America. We are accelerating the exit from the lower segment in Standard, and this is also reflected in our numbers of the first nine months, exactly because of the growing competition of the Chinese tyre makers. Today, they weight more or less half of the Brazilian market and around 40% of the Argentinian market. We'd want to exit from a very competitive market. For these reasons, we are implementing streamlining of the organization and the acceleration of the conversion of the capacity from Standard to High Value or in some cases also write off some part of capacities. But no major restructuring are expected in the region. So, we will remain with the actual footprints, two plants in Brazil and one in Argentina, and we use this capacity to support the export towards North America, roughly a couple of million tires, 2 ÷ 2.5 million tyres are exported from Brazil to United States. Thank you.

Thomas Besson – Kepler Cheuvreux

Thank you very much.

- Firstly, I'd like to talk about the balance sheet improvement and the consequences it could have on your dividend, your capital allocation overall and whether this is tied to the solution that we are waiting for on your shareholding structure. Your balance sheet has significantly improved. Right now, it's difficult to do anything in terms of buyback. Would it make sense for you to increase the dividend? That's the first question.
- The second question is: would you wait for a solution to eventually happen before adjusting this capital allocation policy?
- And lastly, could you remind us of your views about M&A, acquiring either competition or technologies? Where would you see an efficient level in terms of leverage? And how much can you improve your cost of debt which has already declined to 4.6%? With your current balance sheet it could eventually be even slightly better, I guess. Thank you.

Marco Tronchetti Provera - Executive Vice Chairman

Thank you for your question. We don't have any M&A objective within our targets. On the use of the cash, having achieved or we will achieve by year end the Net Debt to EBITDA ratio close to one, then we will have in front of us different options. There is nothing set yet and we will take a decision looking forward.

Now it's time to continue with the efficiencies, continue to deliver and we have also to have more visibility on the market looking forward on the automotive industry in 2026 and onwards. We know that in China it's fine, that in US it's fine, but Europe is really a question mark. It's really too early to say where we are going to be focused with the potential availability of cash related to the cash flow production.

Gianluca Bertuzzo – Intermonte SIM

Hello, good evening and thank you for taking my question.

- I know it may be a little bit early, but what could be a reasonable scenario for volumes looking at next year? Do you expect High Value to continue on a mid-single digit level? Do you expect the reduction in Standard to keep going at 2025 pace of -10% ÷ -11%? Any comment would be helpful.
- Second question is about your debt management policy. I noticed a good decline in interest expense in the last quarter. What are your plans? Also with the convertible, any thoughts also here would be helpful. Thank you.

Andrea Casaluci - Chief Executive Officer

Thank you.

On volume side, yes, you are right. It's early to say what will happen in 2026.

- What we can tell you is that we do expect a resilient High Value market on the Replacement channel. We do expect pace of growth in the same range of 2025, so around +4 ÷ +5% in all regions. We target to gain market share in Replacement High Value and as well as we target to keep on reducing our presence in the Standard segment.
- While the Original Equipment is very difficult to predict now, because you see a lot of volatility, the incentivization in the electrification of the car is changing. The approach has been canceled the United States is expected to be reduced in China. Still a lot of confusion, I would say in Europe. A lot of disruption in the supply chain: you have heard about the cyber-attack in Jaguar Land Rover, the aluminum supply disruption in the last weeks in the United States or as a semiconductor supply chain volatility and also the demand and the car registration. So, a lot of volatility is still to be analyzed on the Original Equipment side.

On debt management, we have a convertible bond that will expire half of December and today is on the money. We will see the development, but apart from that, no major update.

Thank you.

Gianluca Bertuzzo – Intermonte SIM

Thank you. And if I may, a follow up. In the presentation, you talk about the Cyber Tyre and you mention the partnership with Aston Martin. I noticed that there are logos of other prestige brands, but at the same time also a premium brand like Audi. What do we have to read here?

Andrea Casaluci - Chief Executive Officer

All these logos that you see in the presentation are already on supply with the Cyber Tyre. We are working with Audi with the RS4 version, providing the track race edition of the Cyber Tyre solution. We are working with McLaren Artura, that was the first project that we introduced and with Pagani with the full integration with vehicle electronics, thanks to the brand new partnership (at that time) with Bosch Engineering. The last one is Aston Martin, as we presented, but more will come.

Marco Tronchetti Provera - Executive Vice Chairman

We start from the very difficult part of the market where technology has to be tested at a very extreme level. Our technologies work for also the premium cars, and we are in touch with different premium carmakers.

In this case, Audi, as Mr. Casaluci was describing, is only the version of that is RS. Please go ahead.

Andrea Casaluci - Chief Executive Officer

We always introduce new technology, the most advanced technology in the prestige segment, because it's a kind of laboratory also where we can accelerate the development of the new technologies. But then, the target, also for the Cyber Tyre, is to scale up into the premium, the wider premium segment. We have already a lot of interesting projects in the pipeline with premium carmakers. Thank you.

Marco Tronchetti Provera - Executive Vice Chairman

Thank you, everybody. I see that there are no more questions.

Thank you and have a good evening.