

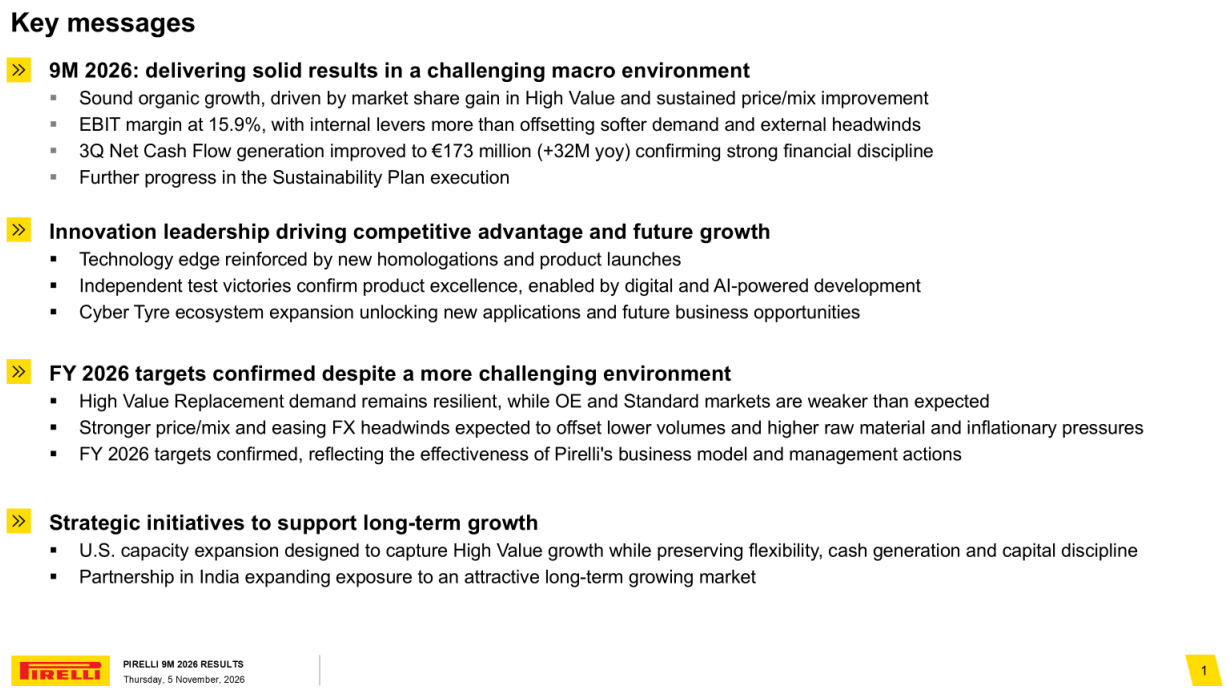
Pirelli & C. S.p.A.

9M 2026 Results

November 5th, 2026

Conference call transcript

Marco Tronchetti Provera - Executive Chairman



Good evening, Ladies and Gentlemen,

The financial results for the 9 months 2026 confirm Pirelli’s financial strength against a challenging macroeconomic and geopolitical context.

In recent months, we have seen a further deterioration in the external environment, marked by

- a downturn in car production,
- persistent inflationary pressures and
- growing political uncertainty.

In this context, Pirelli has continued to deliver a sound performance, leveraging its business model and the ability to quickly respond to the challenging landscape.

The results for the first nine months show a solid organic growth, driven by market share gains in High Value and a continuous Price/Mix improvement.

Profitability stood at around 16%, driven by the effectiveness of internal levers, that offset forex, raw materials and input cost inflation, as well as US tariffs.

Net Cash Flow improved year-over-year, confirming the solid financial discipline.

We are continuing to boost our competitive edge in innovation:

- new homologations and product launches confirm the technological leadership;
- excellent results in independent tests prove the quality of our products, which are developed with the support of digitization and AI;
- in parallel, the expansion of the Cyber Tyre ecosystem opens new applications and future growth opportunities.

Although external factors are proving more challenging than expected, we are confirming all targets for 2026.

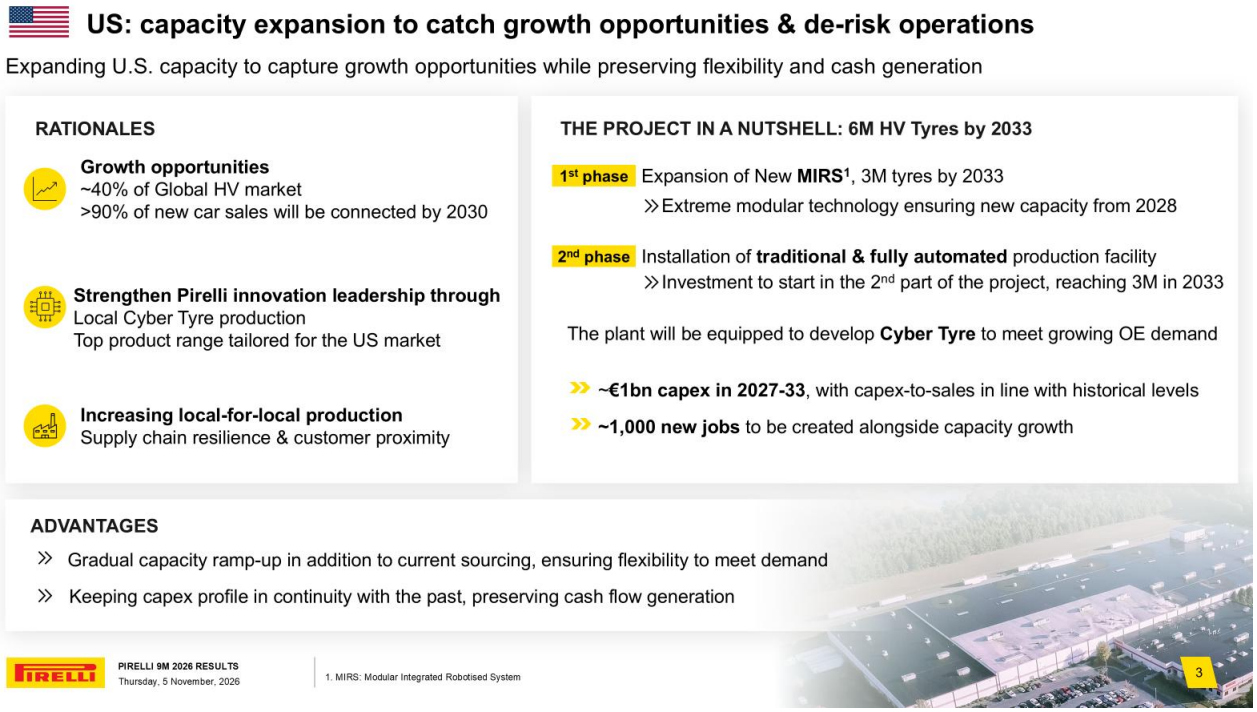
Beyond the short term, we are also continuing to lay the foundations for future growth through strategic actions in markets with the greatest potential.

- In the US, we are investing to expand capacity to capture growth opportunities in High Value.
- In India, the partnership with BKT will allow us to gradually enter a market that has an interesting long-term growth potential.

These actions, together with innovation and leadership in the High Value segment, strengthen the foundations for sustainable and profitable long-term growth.

I now give the floor to Mr. Casaluci

Andrea Casaluci - Chief Executive Officer



Thank you, Mr. Tronchetti and good evening Ladies & Gentlemen

Before reviewing our 9 months Results, I would like to focus on the key initiatives we are implementing to support future growth, starting with the US project.

The project addresses three strategic priorities for Pirelli: growth, stronger technological leadership and higher local-for-local.

First, growth. Accounting for around 40% of global segment volumes, the United States is the world's largest High Value market. It offers significant growth opportunities for Pirelli, where our market share is below the average of the other High Value Regions.

Second, technology and innovation. The project will create a state-of-the-art industrial hub, allowing us to produce high-tech products and accelerate the development of innovative solutions, such as Cyber Tyre. This will further strengthen the competitive advantage we have in the most advanced segments of the market.

Finally, local production and customer proximity. Increasing production capacity in the United States will strengthen the local-for-local model, enhance supply chain resilience, and improve service levels. The recent announcement by carmakers such as Audi to build new capacity in Georgia further validates our strategic decision to expand our local production footprint.

We have chosen a gradual and highly flexible approach.

The first phase involves expansion through the New MIRS: our proprietary Modular Integrated Robotized System, which will enable us to add new capacity already starting from 2028. This technology will ensure great flexibility in adjusting the ramp-up to the demand evolution.

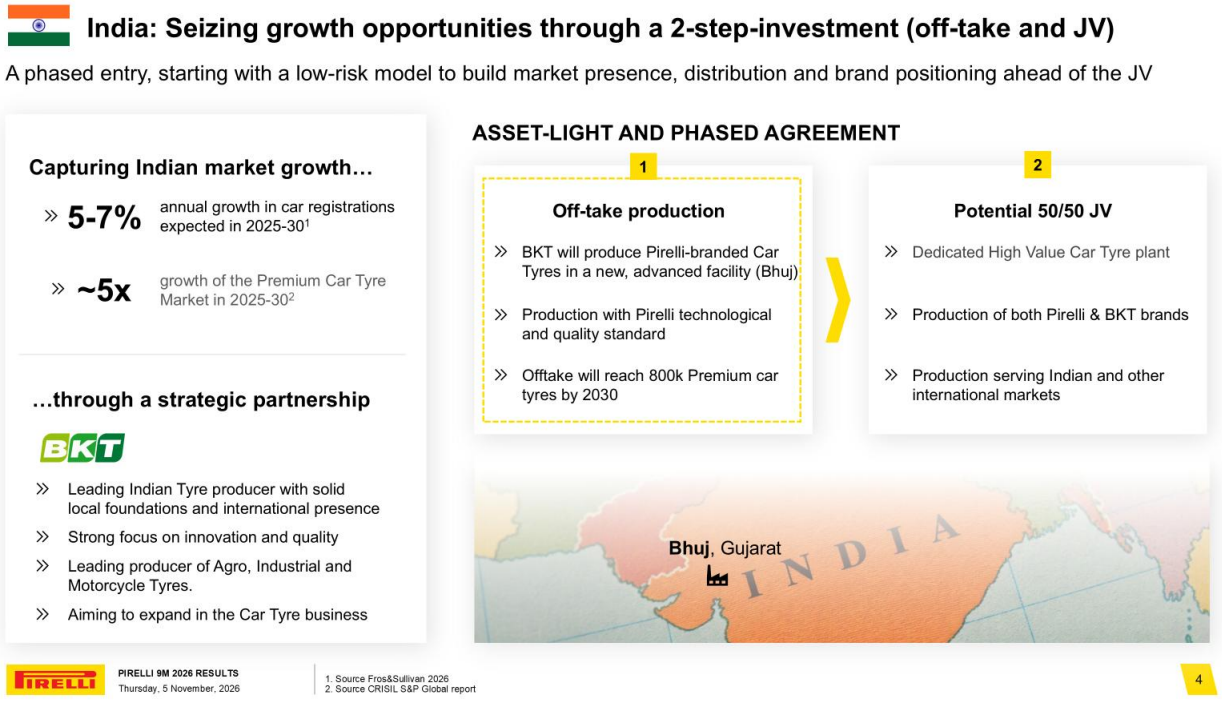
The second phase regards the installation of a traditional and fully automated production facility, with the investment not impacting the first years of the project.

Overall, this project will reach a capacity of 6 million High Value tyres by 2033: 3 million tyres through New MIRS and 3 million through the traditional and fully automated facility.

The investment is expected to be of approximately 1 billion euro in the period 2027-2033 and will create around 1,000 new jobs.

The key characteristic of this project is the gradual approach of the execution:

- it allows to fully exploit the growth potential of the US market, while
- preserving flexibility, financial discipline and cash generation, with capex on sales that remains around 7%, in line with Group's historical average.



Let’s now move to India, which offers an interesting growth opportunity.

By 2030, car registrations are expected to grow at an average annual rate of 5-7%, while the Premium Car Tyre segment is expected to increase five times versus the current level.

Today, in India we have a commercial presence limited by import licences.
To accelerate growth in this market, we signed a strategic partnership agreement with BKT, one of the leading Indian tyre manufacturers with a solid manufacturing presence, operating in the Agro, Industrial and Moto segments.

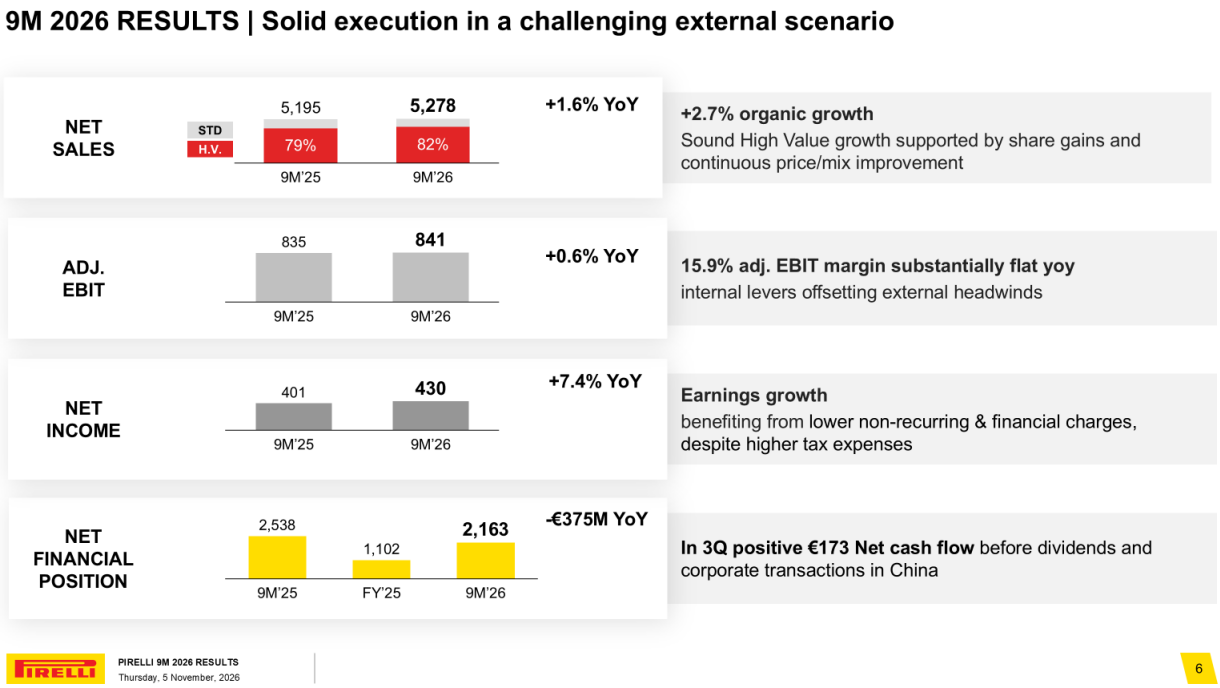
BKT is the ideal partner for Pirelli in India, given their value-oriented business model, a strong focus on innovation, quality and sustainability.

The partnership is based on an initial off-take agreement, under which BKT will manufacture Pirelli-branded car tyres at a new plant in Bhuj in Gujarat, guaranteeing Pirelli’s specific technological and quality standards.

This approach will enable us to gradually expand the presence in the Indian market while limiting the initial investment and keeping full control of our technology, know-how and brand positioning.

Production will gradually increase to 800 thousand Premium tyres by 2030, creating the conditions to evaluate the second phase of development: a 50/50 Joint Venture to build a High Value tyre facility serving not only the Indian market, but also other international markets and producing both Pirelli and BKT branded tyres.

Overall, this deal is a further step ahead in the execution of our industrial strategy: expanding in those markets with top growth, leveraging our technology, brand value and through flexible and scalable operating models.



Let's now discuss the results of the first nine months which confirm Pirelli's ability to continue growing and creating value also in an increasingly tough context.

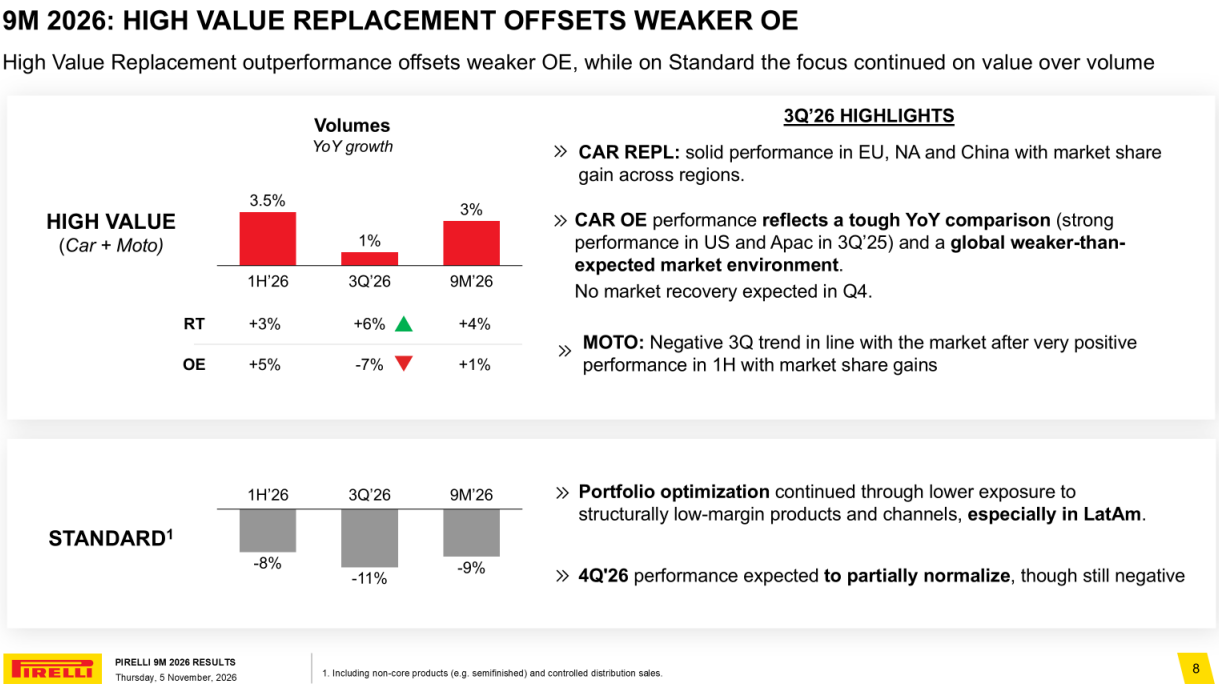
- Revenues reached approximately 5.3 billion euro, with a +2.7% organic growth, supported by:
  - Strengthening in the High Value segment, accounting for 82% of the Group's sales, and
  - Price/Mix improvement.
- Adjusted Ebit stands at 841 million euro, with a 15.9% margin, substantially stable versus last year, due to the effectiveness of internal levers.
- Net income increased by 7%, supported by
  - lower financial expenses following the reduction in debt,
  - lower PPA-related amortization and
  - a higher contribution from equity investments, despite the expected increase in the tax rate.
- Net Financial Position, negative for around 2.2 billion euro, includes 369 million euro in dividend payments and a 308 million euro impact of Corporate transactions in China, which mister Bocchio will illustrate.
- Finally, Cash generation in Q3 amounted to 173 million euro, a 32 million euro increase versus the third quarter of 2025, driven by a better operating performance and a disciplined working capital management.

Now, let us go through the Operating Performance more in detail.



In the first nine months of the year, we continued to execute our strategic programs.

- We strengthened our position in the High Value and gained market shares, both in the Car and Moto business, through the strong innovation and quality of the products.
- On innovation,
    - we further enriched the homologation portfolio and expanded the product range, as well as consolidated the position in the segments with the highest value and technology content;
    - on Cyber Tyre, we continue to accelerate both industrial and commercial developments. We have started a collaboration with Abet HTS, opening up new applications such as Defence and Rescue under extreme conditions.
- The Efficiency program is progressing according to plan, generating gross benefits worth 109 million euro, 73% of the Full Year target.
- In a highly volatile environment, we react quickly to protect profitability and cash generation.



Let's start from the commercial performance.

In the first nine months of the year, we further strengthened our leadership in High Value, with Car and Moto volumes up by around 3% and further market share gains across both businesses

Growth was particularly strong in Replacement, with volumes up 4% in the first nine months and accelerating to 6% in the third quarter, from 3% in the first half. This confirms the growing preference for Pirelli across different geographies.

In OE, volumes increased by 1% in the first nine months, with a specifically positive first semester (+5%) and a 7% decline in the third quarter.

The trend of the third quarter reflects two main factors:

- On the one hand, a very challenging comparison base. In the third quarter of last year, Moto volumes were up 18% and Car volumes increased by 7.1%, supported by very strong performance in North America, and APAC excluding China;
- On the other hand, a weaker than expected car production in all High Value Regions:
    - in Europe, we maintained a selective approach, prioritizing High Value Replacement and focusing on the most advanced technologies;
    - in North America, the performance was impacted by the production slowdown of some major clients;
    - Finally, in China, lower incentives for electrification led to a significant decline in domestic car sales, down around 25% in the first nine months, only partially offset by strong export growth.

The weakness particularly affected European Premium carmakers, while Chinese Premium NEV players continued to deliver double-digit growth. Pirelli therefore mitigated the weakness in the OE demand thanks to its exposure to Chinese Premium NEV players,

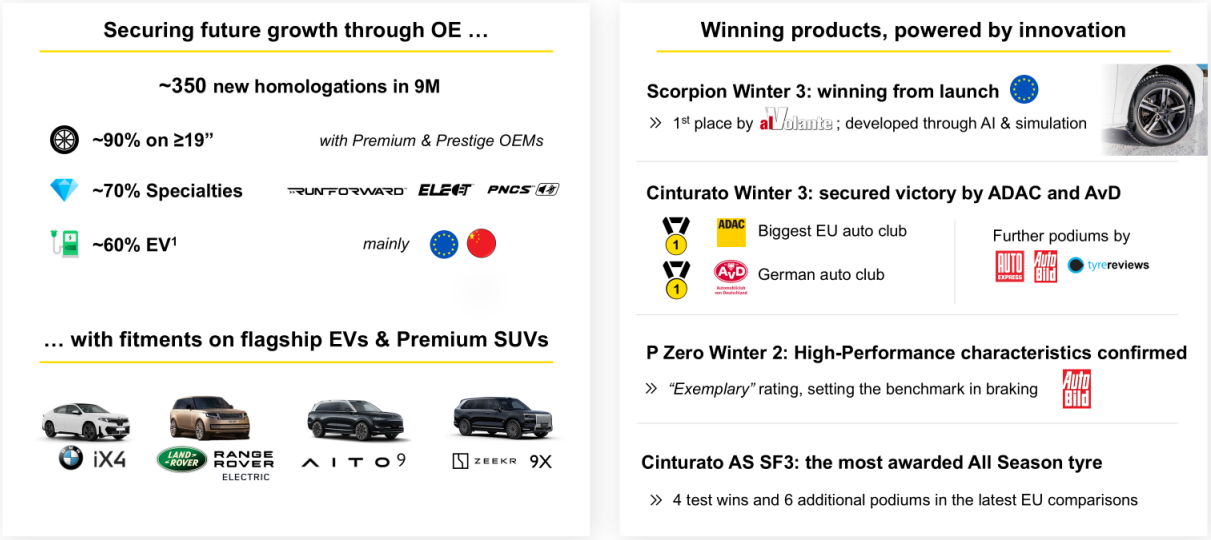
while the strong growth in exports had no material impact on our sales, as it was mainly concentrated in the Synergic segment.

On Standard, we maintained a disciplined approach, fully consistent with our value-driven strategy.
Volumes declined by 9% in the first nine months and 11% in the third quarter, reflecting our decision to reduce exposure to lower-margin products and channels, particularly in South America.

Overall, Group volumes declined by 0.5% in the first nine months and by 1.6% in the third quarter.
This volume decline was more than offset, as Mr. Bocchio will illustrate, by a significant improvement in price/mix, which reached a record +4.6% in the third quarter.

This result confirms the effectiveness of our strategy: prioritizing value and profitability.

9M'26 PRODUCT INNOVATION: Technology leadership reinforcing High Value positioning



Let us now turn to product innovation.

In the first nine months of 2026, we achieved approximately 350 new homologations, mainly in larger rims, Specialties, and electrified vehicles. These homologations will drive future growth in Original Equipment and later, due to the pull-through effect, in the Replacement channel as well.

These achievements enhance our role as reference technology partner for both Premium and Prestige car makers. Good examples are the partnerships secured in the third quarter for some of the most advanced next-generation electric SUVs, including the BMW iX4, Range Rover Electric, Aito 9 and Zeekr 9X.

Our product innovation and top quality is being recognized by the major independent tests.

In Europe, we have introduced the new Scorpion Winter 3, developed by integrating artificial intelligence and virtual simulation. As a confirmation of our approach to product development, the new Scorpion already ranks first in the test conducted by the Italian magazine *alVolante*.

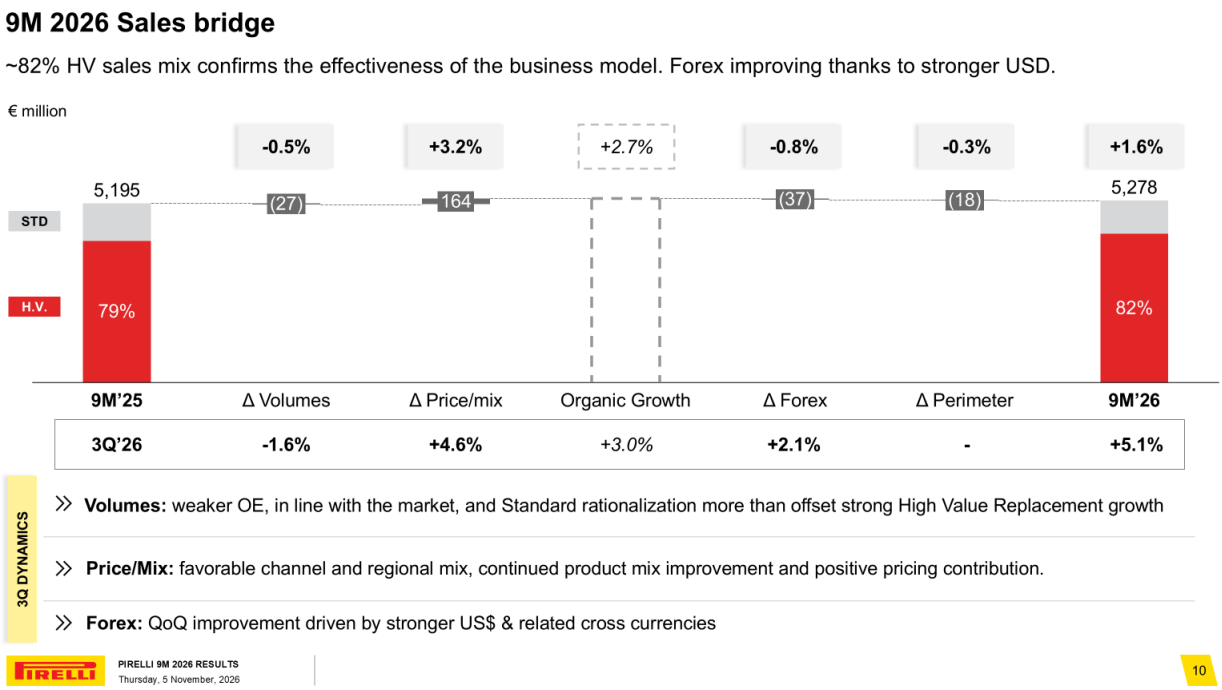
Cinturato Winter 3, also obtained remarkable acknowledgments: winner of ADAC tests, the top European autoclub and AvD (Automobilclub von Deutschland), as well as achieving further podium positions in tests by top trade European magazines.

The strong performance of P Zero Winter 2, particularly in braking, was confirmed by AutoBild, while Cinturato All Season SF3 remains the most awarded all-season tyre on the market, with four wins and six additional podiums in the latest European comparative tests.

These results once again confirm how the technological leadership continues to strengthen our High Value positioning and the competitiveness of the products in the most profitable segments of the market.

I will now hand over to Mr. Bocchio.

Fabio Bocchio – Chief Financial Officer



Thank you, Mr. Casaluci and Good evening

Let's now analyze the main performance dynamics in the first 9M of 2026, compared to the same period last year.

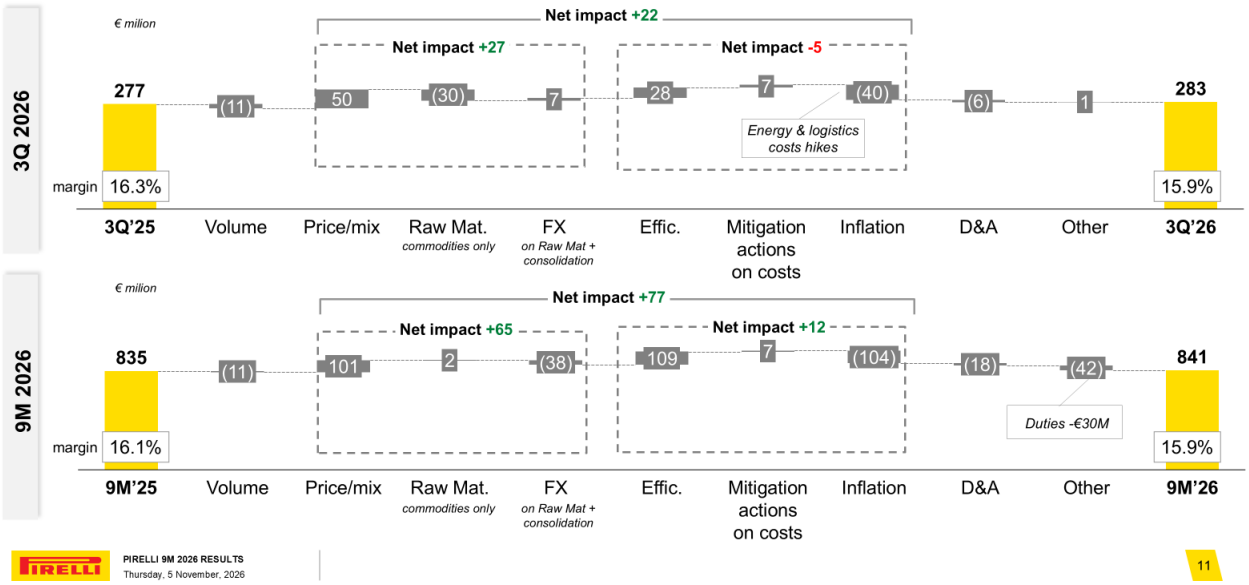
Revenues stood at approximately 5.3 billion euro, with +2.7% organic growth (it was +3% in the third quarter). Including the impact of foreign exchange and the delta perimeter, revenue grew by 1.6%.

Let's go through each driver:

- Volumes were slightly down (-0.5% in first 9 months, -1.6% in the third quarter). This reflects different trends between High Value and Standard, as well as – in the High Value – between the solid performance in the Replacement Channel and the weakness in the OE, already commented by Mr. Casaluci.
- Price/Mix was positive, growing by 3.2% in the last nine months and +4.6% in the third quarter, driven by the ongoing improvement of both product and regional mix. Starting from the third quarter, we recorded a positive contribution from price, reflecting the price increases announced in the second quarter.
- The exchange rate impact was negative (-0.8%) mainly due to the devaluation of the US Dollar *[USD -3.6%]* versus the first nine months of 2025. In the third quarter, the exchange rate trend was positive (+2.1%),due to the improvement of the US Dollar trend and the strengthening of currencies, such as the Chinese Renminbi and the Brazilian Real.
- Finally, the perimeter change (-0.3%) was related to the deconsolidation of Dackia AB in the second quarter of 2025. From the third quarter of 2026, no more impacts connected with this deal is recorded.

3Q/9M 2026 Adjusted EBIT

Strong Price/Mix execution and efficiency measures are mitigating the impact of inflation and softer demand conditions



We closed the first nine months with Adjusted EBIT of €841 million and a margin of 15.9%, slightly higher in absolute terms and broadly in line with the first nine months of 2025 in terms of profitability. This performance reflects the effectiveness of our internal levers, which more than offset weaker demand and higher raw materials & other input costs.

In more detail:

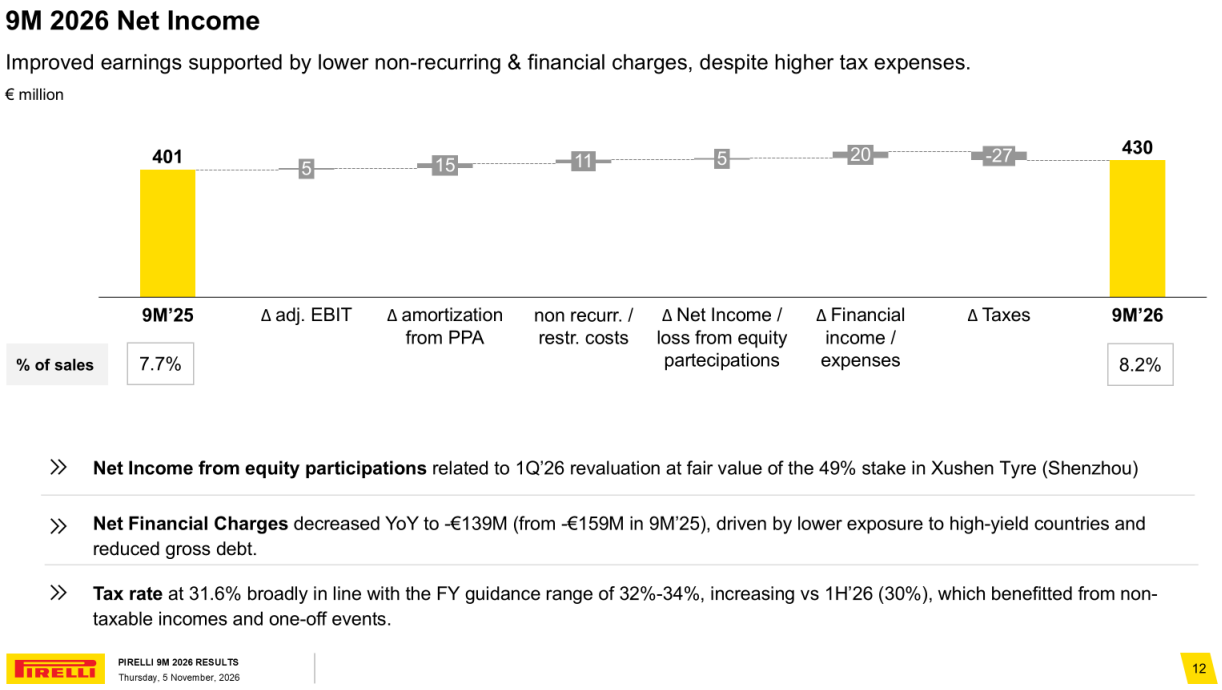
- The price/mix positive contribution for +101 million euro, the structural efficiencies for +109 million euro and the cost control actions for +7 million euro to mitigate the impact of the Middle Eastern crisis, have more than offset the negative impact of exchange rates, that was equal to -38 million euro, inflation of input costs equal to -104 million euro and of the weak demand, which accounted for -11 million euro;
- Contribution by raw materials remains essentially neutral (it was +2 million euro) due to cost increase in the third quarter, which wiped out the benefits recorded in the first half.
- Finally, D&A had a negative impact equal to -18 million euro and other costs for -42 million euro, mainly due to the impact of the US tariffs.

Profitability stands at 15.9% also in the third quarter, slightly down versus 16.3% in the third quarter of 2025, due to the strong negative impact of raw materials and inflation.

The combined contribution of the Price/Mix for €50 million euro, structural efficiencies of €28 million euro and cost control actions for +7 million euro, have more than offset the raw material impact, which was negative by -30 million, the inflation of input costs negative by -40 million and a weak demand with an impact of -11 million euro.

The exchange rate contribution is positive by +7 million euro, offsetting the impact due to higher amortization costs (-6 million euro).

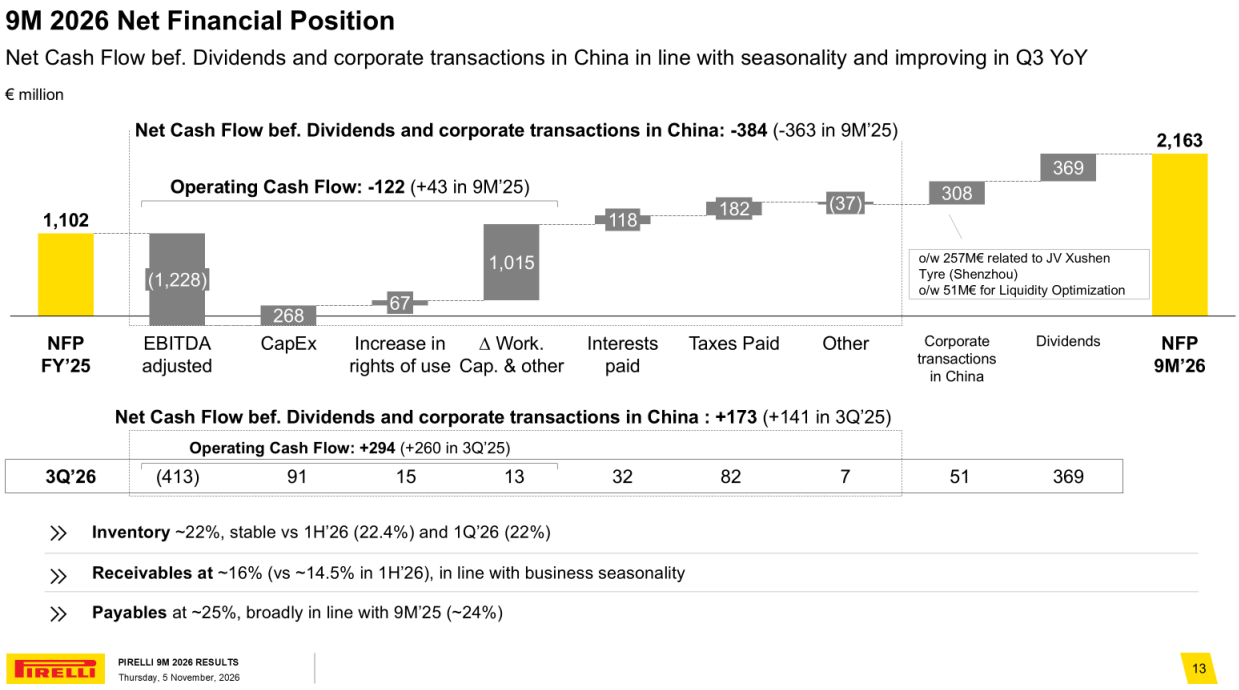
Finally, the other costs contributed positively by 1 million euro. I would remind you that, since the third quarter, the impact of US tariffs has remained broadly unchanged compared with the previous year.



Let's now review the Net Income, equal to 430 million euro, up 7.4% compared to 401 million euro in the same period of 2025.

This trend mainly reflects:

- Lower net financial expenses for 20 million euro, mainly reflecting the reduction in gross debt, as well as a lower exposure to financial debt in countries with higher interest rates;
- A 15 million reduction of the amortizations of the Purchase Price Allocation;
- Lower one-off, non-recurrent and restructuring charges for 11 million euro
- A greater contribution from the results of equity participations for 5 million euro, mainly linked to the revaluation at Fair Value of the 49% stake in the Xushen Tyre JV in Shenzhou, accounted for in the first quarter;
- Higher tax charges for 27 million euro, with a tax rate at 31.6%, broadly in line with our full year range guidance which is between 32% and 34%. As expected, the tax rate was higher than the 30% recorded in the first half, which benefited from non-taxable incomes and positive one-off effects.



Let us now move to Net Financial Position.

In the first nine months of the year, the Net Financial Position went from 1.1 billion euro at the end of 2025 to around 2.2 billion euro as of September.

To analyze our financial performance, let's start with Operating Cash Flow which in the first 9 months was negative for €122 million, while it was positive for €43 mln in the same period of 2025. This is mainly due to increased investments and a higher cash absorption linked to trade payables dynamics.

More in detail:

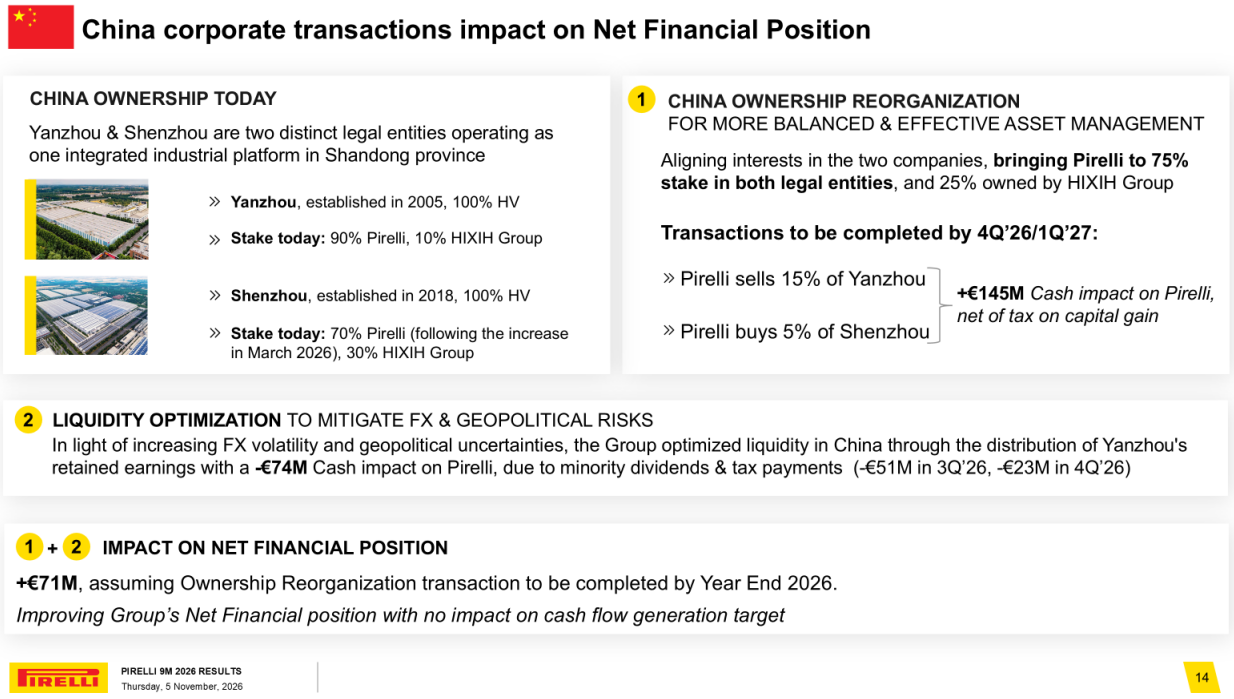
- Investments amount to 268 million euro, higher than the 224 million euro in the same period of last year, and are mostly directed to High Value development, technological upgrade and industrial automation.
- The trend of working capital, which is negative for around €1bln compared to -€821mln in the first nine months of 2025, reflects the stronger reduction of trade payables, related to the payment of investments concentrated between the last quarter of 2025 and the first quarter of 2026.
  Trade receivables follow the usual business seasonality, with a limited negative impact due to the Middle East situation.

Inventory management is positive: its incidence on the Last twelve months Sales is higher than in the same period last year: 22.3% compared to 20.7%. It reflects the rigorous management of finished product stocks, the raw materials cost increase linked to the commodity trend and the build-up of a "*safety stock*" due to the conflict in the Gulf region.

Finally, the Net Cash Flow before dividends and Corporate transactions in China amounted to -384 million euro, basically in line with the -363 million euro of the first nine months of 2025 that benefitted from the positive effect of Dackia AB divestment for 43 million euro. Besides the operational dynamics just described, this result reflects an

improvement in financial charges that mitigated the impact of higher taxes and a lower impact of exchange rates.

In the third quarter, net cash flow before dividends and corporate transactions in China was positive at €173 million, up €32 million year-on-year, thanks to the stronger operating performance and disciplined working capital management.



Let's now move to the corporate transactions in China.

As you know, we have increased our stake in Shenzhou from 40% to 70%, which has been consolidated since January 1st, 2026, with an impact of €257 million, already accounted in the first half 2026 and related to both the JV debt consolidation and the exercise of the call option.

We are now launching two transactions:

- one aimed at aligning the ownership structure in our Joint Ventures, Shenzhou and Yanzhou, and
- the second aimed at optimizing the liquidity management in the country.

Let's start from the first one.

Yanzhou and Shenzhou are two separate legal entities, but from an industrial standpoint they operate as a single integrated platform entirely focused on High Value.

Under the transaction, Pirelli will increase its stake in Shenzhou from 70% to 75%, while Hixih Group will acquire a 15% stake in Yanzhou from Pirelli. As a result, Pirelli will own 75% of both companies, with the remaining 25% held by Hixih Group.

This more balanced ownership structure will simplify governance, improve the efficiency of decision-making and enable a more coordinated management of the two assets, while also supporting future growth opportunities in the High Value segment in China.

The deal is expected to be finalized between the fourth quarter 2026 and the first quarter 2027, subject to the required authorization process in China.

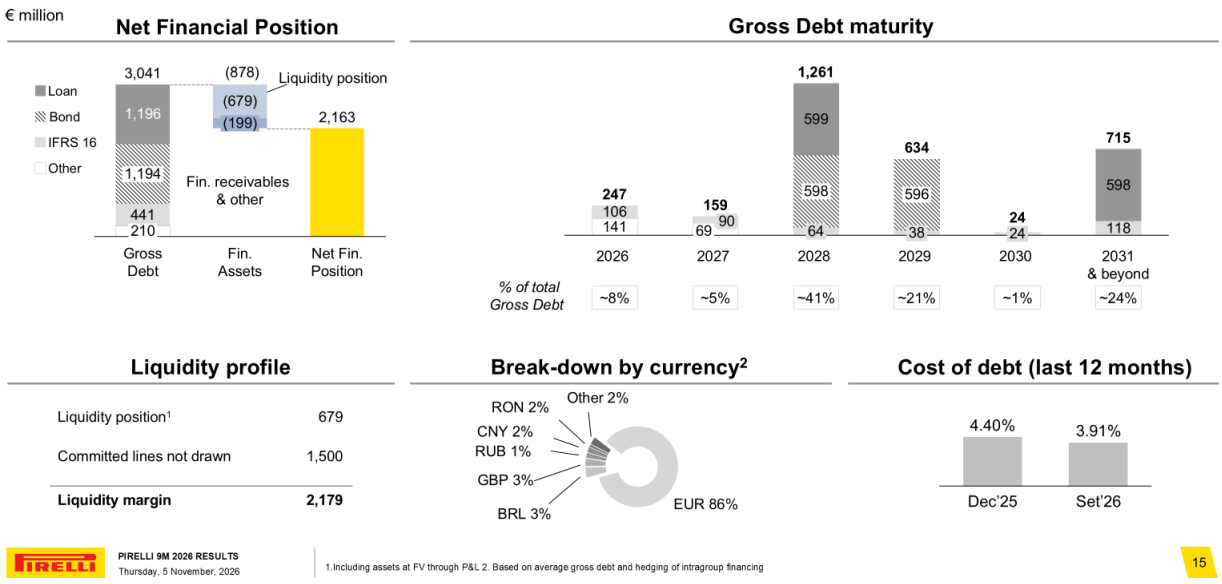
The second transaction is aimed at optimizing the liquidity held in China, particularly in light of increasing currency volatility and geopolitical uncertainty.

This involves the distribution of retained earnings from Yanzhou.

Assuming completion in 2026, the two transactions will have an overall positive impact of approximately €71 million on the Group's Net Financial Position. Being an extraordinary item, the 71 million euro does not impact on the Net Cash flow target**.** The uncertainty regarding the timing of completion is related to the regulatory approval process in China.

More specifically, the €71 million benefit reflects

- a positive impact of approximately €145 million from the reorganization of our shareholdings in China, including the payment of capital gains taxes related to the sale of the 15% stake in Yanzhou; and
- a negative impact of approximately €74 million which is the net amount between the dividends allocated to the minority shareholder and the tax treatment of dividends distributed to companies within the Pirelli Group. Out of the 74 million euro, €51 million was already recorded in the third quarter of 2026.



Let's now switch to the Group's financial structure.

As of September 30th, 2026, Pirelli confirms its sound and well-balanced financial structure, allowing us to effectively deal with the current macroeconomic context and sustain our strategic priorities.

Pirelli has a gross debt of approximately € 3 billion, financial assets worth around 878 million euro and therefore a Net Financial Position of about €2.2 billion.

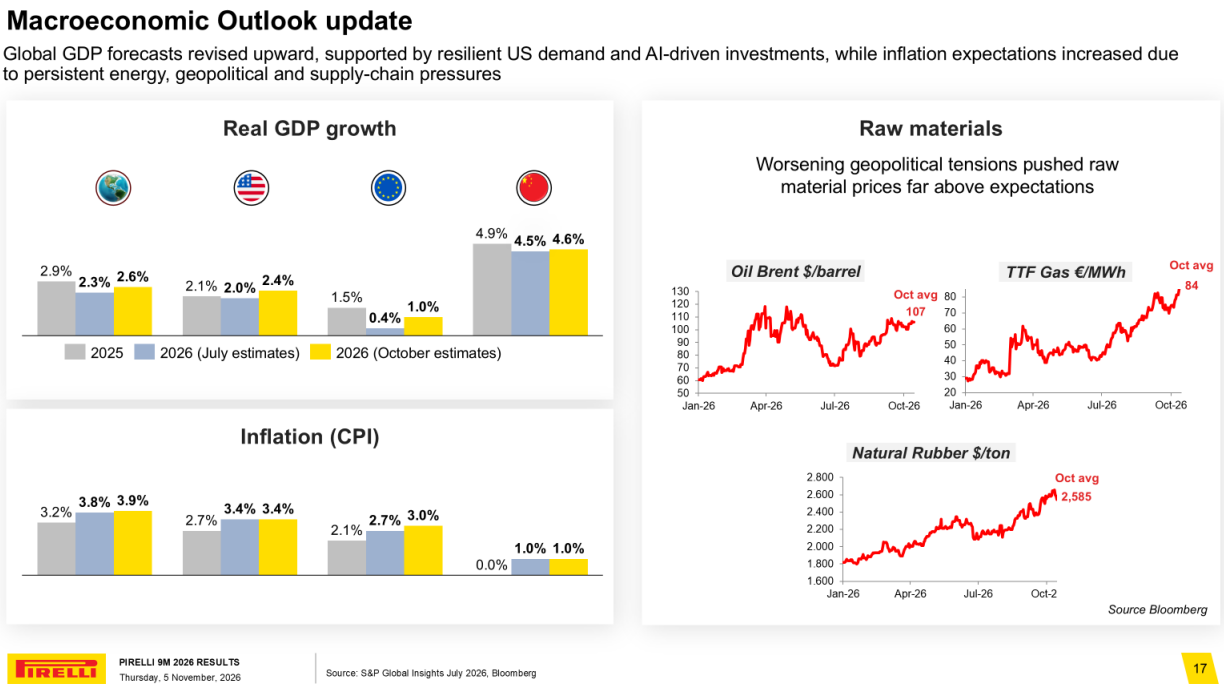
The Liquidity Margin is approximately 2.2 billion euro and covers maturities for over 3 years, thus beyond the third quarter of 2029.

The debt structure also remains balanced. The major maturities are distributed over time, and no relevant concentration is foreseen in the short term. This mitigates the refinancing risk and increases the Group's financial flexibility. We are therefore able to choose the best way and most favorable market opportunity to refinance debt maturing in 2028.

The Average Cost of Debt over the last 12 months is down 50 basis points, from 4.40% at the end of 2025 to 3.91%. This result is particularly positive in a context of rising interest rates and reflects the Group's lower exposure to debt denominated in high-yield currencies.

I now give the floor back to Mr Casaluci.

Andrea Casaluci - Chief Executive Officer

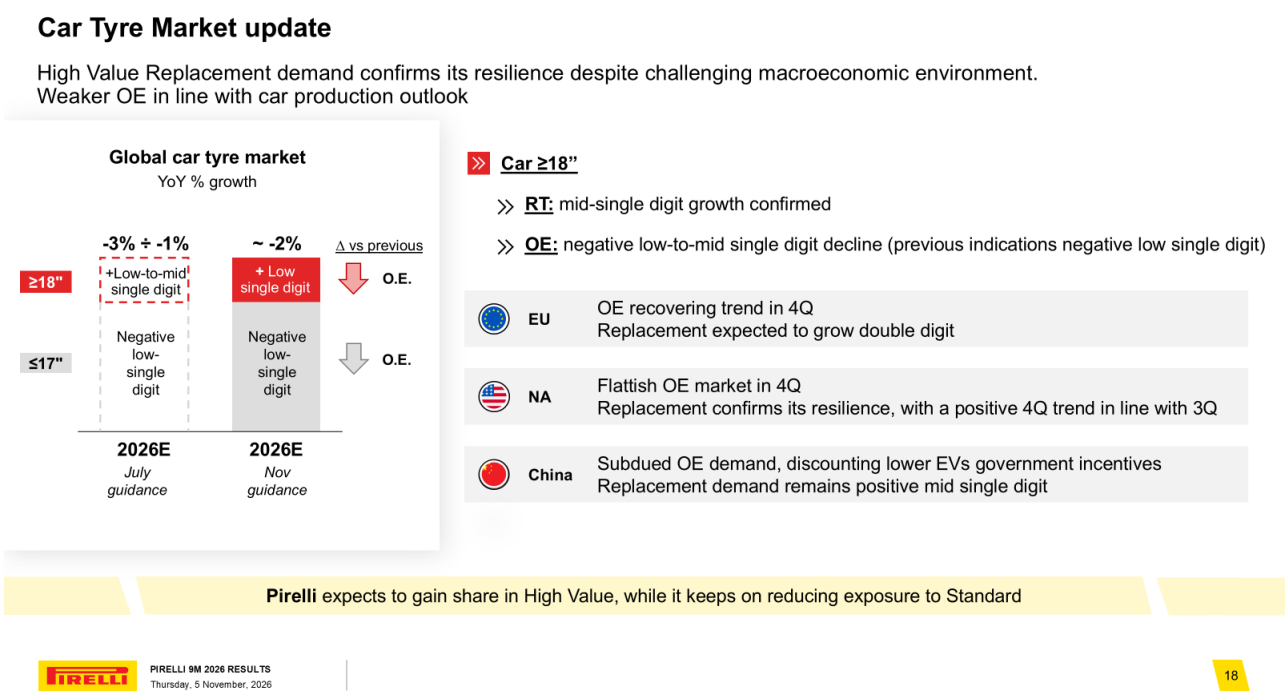


Thank you, Mr Bocchio. Let's now move to the outlook for the year.

The overall picture is characterized by two contrasting dynamics:

- On the one hand, the global GDP growth outlook has improved compared with our expectations in July. Global GDP is now expected to grow by 2.6% in 2026, compared with our previous assumption of 2.3%, mainly supported by the resilience of the U.S. economy and the strong investment cycle related to artificial intelligence, digital infrastructure and industrial transformation. Growth is therefore being driven more by investment than by consumption, which remains relatively weak.
- On the other hand, inflation is significantly increasing, with a Consumer Price Index now expected to exceed 3% in the U.S. and Europe and restrictive monetary conditions due to last for a longer period of time. The renewed tensions in the Middle East once again raised the pressure over energy and raw materials:
    - Brent went from an average 84 $/barrel in July to 107 $/ barrel in October;
    - Gas in Europe from an average of 54 €/MWh in July to 84 €/MWh in October; and
    - Natural Rubber from an average of 2.100 $/ton in July to 2.600 $/ton In October.

These dynamics have required further cost containment measures in the fourth quarter and, above all, are redefining the assumptions based on which we are planning for 2027. We are in fact getting ready to deal with a scenario characterized by higher energy, logistic and raw material costs, along with a volatility that we expect to persist over the coming months.



As for the Car Tyre market, we revised our estimates for 2026, especially for Original Equipment, in light of the trend observed in the first nine months of the year.

The global Car Tyre market is expected to go down by approximately 2% for the full year.

- In this scenario, we confirm the resilience of High Value Replacement, predicted to grow by a mid-single digit with a fourth quarter basically in line with the trend observed in the third quarter. Growth continues to be supported by the strong performance in Europe with a double-digit growth rate in both FY and 4Q, by the sound demand in the Asia-Pacific region and by the gradual recovery of North America after the weakness in the first half of the year.
- In the High Value Original Equipment segment, we revised our expectations downward. We now estimate a low-to-mid single digit drop over the year, with a fourth quarter expected to be in line with the third.
  At regional level, the major weakness is expected in Asia-Pacific, where the slowdown of car production, especially in China, following the reduction of incentives for EVs, is affecting Original Equipment demand. In Europe, on the contrary, there are signals of stabilization in the fourth quarter, while North America is expected to close the year with a basically flat trend.

The Standard market is also predicted to experience a low-single digit downturn, and we revised our expectations for Original Equipment.

In this context, we expect to continue gaining market share in High Value, especially on the Replacement.

2026 Guidance update

Targets confirmed, with stronger p/mix and easing FX headwinds offsetting both weaker OE & Standard demand and higher raw material and inflation

€ billion	2025 A	2026 E *July Guidance*	2026 E *Nov Guidance*
Net Sales	**6.78**	**~ 6.75 ÷ 6.95**	**~ 6.85 ÷ 6.95**
Adj. EBIT Margin	**16%**	**~ 16%**	**~ 16%**
CapEx *% of sales*	**0.42** *6.2%*	**~ 0.45** *~ 6.5%*	**~ 0.45** *~ 6.5%*
Net Cash Flow *Before dividends, conv. Bond[1] and corporate transactions in China*	**0.58**	**~ 0.5**	**~ 0.5**
Net Financial Position	**1.1**	**~ 1.2**	**~ 1.2**
Leverage *Net debt / adj. EBITDA*	**~0.7x**	**~ 0.75x**	**~ 0.75x**

Volumes:
~ -0.5%
(old +0% ÷ +1%)

Price/Mix:
~ +3 ÷ +3.5%
(old +2.5% ÷ +3%)

Forex & Δ perimeter:
-1.0% ÷ -0.5%
(old -2.5% ÷ -1.5%)

PIRELLI 9M 2026 RESULTS
Thursday, 5 November, 2026

1. Impact related to bond conversion in December 2025

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The sound results achieved in the first nine months allow us to confirm the guidance for 2026, while updating some of the underlying revenue drivers to reflect the current market environment.

- We confirm our expectations for Revenues and have narrowed the range to approximately €6.85 billion to €6.95 billion.
    - Volumes slightly down (-0,5%) compared with our previous expectation of flat to +1% growth, reflecting weaker market demand in Original Equipment;
    - Price/mix has been revised upward to between +3% and +3.5%, compared to +2.5% and +3% in July;
    - Exchange rate impact was also adjusted based on an expected lower devaluation of the U.S. Dollar. Forex is now predicted to range between -1.0% and -0.5% compared to the previous -2.5% and -1.5%.
- Profitability is confirmed at approximately 16%, with an Adjusted EBIT of a ~1.080 million euro in absolute value in the midpoint.
- Investments confirmed at ~450 million euro (around 6.5% of Revenues);
- Net Cash Flow target is also confirmed at ~500 million euro;
- Net Financial Position is confirmed at ~€1.2 billion.

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

Marco Tronchetti Provera - Executive Chairman

Thank you, Mr Casaluci.

Today’s discussion clearly shows a fundamental aspect:

- Pirelli continues to deliver solid results while building a stronger competitive position for the future.

The external environment remains challenging, with geopolitical uncertainty and major changes in the automotive industry. In this context, confirming our full-year targets reflects the strength of our business model, disciplined execution and ability to adapt.

At the same time, we continue to invest in the key pillars of our future growth:

- technological innovation,
- High Value,
- Cyber Tyre, and
- the evolution of the industrial footprint in the most promising markets.

The initiatives in the US and in India presented today are part of the strategy aimed at strengthening Pirelli’s presence in the most attractive markets and creating the conditions for sustainable long-term growth

We therefore look to the coming years with confidence. We are fully aware of the challenges in the external environment, but we can rely on a clear strategy, distinctive capabilities and a strong track record of execution.

This concludes our presentation. We may now open the Q&A session.

Questions & Answers

Stephen Benhamou - Bank of America

Good evening, gentlemen. Thanks for taking my questions. I have three questions, please. The first one is on the price mix. The updated guidance implies a price mix between 2.5% to 4.5% in Q4. What are the underlying assumptions behind the low and the high end of the range and what's your confidence in maintaining a high price mix next year?

Regarding my second question, it's linked to raw materials. Raw mat inflation is starting to become more visible. What raw mat headwind do you expect in Q4? Based on the current spot price, what would be your first estimate for 2027 and the phasing through the year?

For Q4, what are the main levers that could support the margin in Q4?

And finally, efficiencies have also been a strong support so far. Do you expect any further efficiency gains in 2027 because if I'm not mistaken, the bulk of your production optimization is now behind you. So, I was wondering, what do you have, I would say, as incremental savings to activate next year? Thank you.

Andrea Casaluci - Chief Executive Officer

Thank you for your questions.

As far as the price mix is concerned, in the last quarter, we do expect, as you correctly said the performance around 3.5%, which is mainly supported by a constant positive product mix performance, which is around 2%, stable all around the year, and an improved performance on price because we will fully capitalize price increase announced during summer and that are in place starting from the third quarter in the replacement channel, plus the positive impact coming from the cost matrix on the Original Equipment. So roughly these will be the two major drivers of the positive price mix: 2% on product mix, roughly 1% on price and 0.5% coming from a channel mix because we see a negative performance expected in Original Equipment also in the last quarter.

Raw materials in the last quarter will be negative, of course, and worsening compared to the third quarter. We do expect from EUR45 million to EUR50 million headwind on raw materials. Price mix will be the part of the compensation together with the last mile of our efficiency program because we have delivered so far 73% of our total target of gross efficiencies of EUR150 million expected on full year basis, so we still miss the remaining 27% of the total efficiency. These are the major protections against the headwinds of raw materials in Q4.

Of course, we will continue our efficiency program in 2027. We don't have finalized yet the full number of efficiencies we do expect for 2027, but I don't expect a major difference to what we performed in the last two, three years because we are accelerating the programs on the automation of all our factories as well as the energy consumption reduction. So, we are fully confident that the efficiency program will continue to deliver positive contribution also in 2027.

2027 raw materials impact is maybe the missing part of the second question, but of course, we are sure we'll have a negative impact in Q1 because it's already written in our COGS. We do expect a negative impact similar to one that we will face in the last quarter of the year. For the remaining part of 2027, it's too early to have a clear understanding because the volatility of the raw material price is still very, very high. Thank you.

Monica Bosio - Intesa San Paolo

Good evening and thanks for taking my questions. I would have a question on the group performance in China. You well described the outlook for the fourth quarter, but I was wondering if you can give us more color on how Pirelli expects to perform in China in the fourth quarter and in the next year.

Then I would like to ask a question about the BEV tyres. Can you please quantify what the group shares is in the BEV tyres? Do you see some changes in the customers' approach toward BEV in Europe? If so, this could some way offer some new opportunities?

And very last is about the recent agreement with BKT, which is a way to enter a new market with a capital asset-light mode. Is this something that the company could be willing to replicate in other regions? Thank you very much.

Andrea Casaluci - Chief Executive Officer

Thank you for your questions.

Performance in China in Q4. I'll start with the market, where we always have the angle of the High Value market. It's expected to be resilient in the replacement channel, maintaining the pace of growth of around +4% ÷ 5% of the whole year and where Pirelli is gaining market share, overperforming a couple of percentage points the market.
While for the Original Equipment, our outlook remains negative. Local car production is expected to be as negative as the first nine months, around 7% ÷ 8% negative in terms of production, with double-digit negative 23% ÷ 24% on the local sales and positive export, expected to be around +70%. The combination of the two is forecasting a negative OE market. We are more or less surfing the market, but in the last quarter, we expect to lose a bit of market share in Asia Pacific in the Original Equipment because the comparison versus last year is not favorable for us.

The second question: electric vehicles tyres are growing quite significantly, and as expected, they start to have a meaningful impact on our results. In 2026, we projected to sell around 8.5 million tyres for electric vehicles, still mainly driven by Original Equipment. We also start to see first pull-through effect of the replacement; out of the 8.5 million around 3 million are expected to be in the replacement channel. In terms of sales, we are moving towards the EUR1 billion sales coming from electric vehicles tyres.

On the last question: I think we have signed this agreement with BKT that will help us to grow in India, which is a very promising market with a pace of growth expected to be very high compared to the other markets and where our presence today is very, very limited. With the project we announced in Saudi Arabia, which is a joint venture with PIF, and this

one, which is in the first step an offtake agreement, and most probably will be a joint venture in the following years, we have covered all the most important emerging markets where the presence of Pirelli is still limited. We don't see further projects like this in the coming years. Thank you.

Ross MacDonald - Citi

Thank you very much for taking my questions. I have three questions.

First one is on the Georgia CapEx plan and tariff rebates. Specifically, there was some talk in the media around OE potentially getting tariff relief for investing in the state of Georgia, potentially some local incentives to do that CapEx. Do you have any such agreements if you make the Georgia investment? Should we expect to see maybe a lower net CapEx figure if you can get some incentives from the local state? And then linked to that, within the P&L, we've seen some of your competitors in Q3 still receiving tariff rebates. So just wanted to double check, is there any one-offs of that nature in the Q3 EBIT or are you not receiving any tariff rebates at this time? That's my first question.

Second one, just on utilization. Obviously High Value OE is weak in Q3 and that's very good for a channel mix, obviously, but how should we think about High Value utilization as we enter 2027? Do you think that's still likely to remain 100% or close to 100% on the utilization side?

And then a final question, just obviously, given the new wave of cost inflation, can you maybe talk around how much more resilient Pirelli are versus 2022? Because there's a lot of similarities between today and 2022 in terms of marine shipping, EU energy costs, wages, logistics, raw material inflation. So how should we think about your ability to again pass on the inflation that's likely to come in 2027 with further efficiency measures? Thank you.

Andrea Casaluci - Chief Executive Officer

Thank you. A lot of questions. I will start with incentives for U.S. Of course, we have an agreement with the Georgia government. We have very good relationship with the Georgia government which always supported us, also with the small plant we have that was built in 2001. We have a very good relationship, not only with the government, but with the local community, generally speaking, so we have been supported. We don't disclose the agreement, which of course is confidential. Anyhow, it's a high CapEx intensive project because the level of automation, as we presented, is very high, but we fully trust on this project, which it’s not really linked to duties because when we build the factory, we do it for decades and so while duties are part of the volatility we are facing now. We want to have a more resilient supply chain, being protected from duties, from volatility of exchange rate, logistic costs, stay as close as possible to our customers and valuing the made in the United States. Today, local production is no more than 5% of what we sell, so we need to improve the local production. The U.S. tariffs refund waa included in the second quarter and was in the ballpark of EUR5 million, so not that big. No major impact in the third quarter.

Saturation rate of the High Value capacity is stable at around 93%. We remind you that our High Value capacity is today ~59 million tyres. As part of our strategy, we use more or less 10 million of this capacity to produce Standard tyres. We always want to have a spare part of the High Value capacity ready to catch any further potential opportunities in the High Value. So, High Value ss saturated at 93%, and out of this volume, roughly 10 million are Standard tyres.

Ability to pass on inflation is something that has been always one of the strengths of Pirelli because being exposed for 82% on the High Value tyres and being the High Value tyres protected by higher technology, homologations of the Original Equipment, specialties and so on, it is where the competition is less aggressive because you have less players able to deliver this level of technology. That's the strength we have and that's what we have been always able to do, to deliver in the last years, and so we project to do the same also in future.

Jose Asumendi – J.P.Morgan

Thank you very much. Slightly longer-term question, Mr. Tronchetti I would love to hear your thoughts, please, with regards to the three to five-year view on the company and whether there's an opportunity to transform the geographical footprint, expanding the business in China. And if you could comment, please, on the potential of the two transactions you've done in China from a production footprint perspective. It's a bit farther out, but I think there's an opportunity for you to grow in the region, and obviously, the margins in the region are higher than other regions out there. Thank you.

Andrea Casaluci - Chief Executive Officer

Yes, of course. China is and remains a strategic market for us. The car park is changing very quickly. Maybe it's no longer a question of growth of the car park as it was in the last decade, but it is more a question of improving the mix inside the car park because it's becoming more and more electric. I remind you that 65% of new car registration in China in 2026 are new electric vehicle, mainly pure electric. And this is a tremendous opportunity for us in the future for the coming years, while SUV penetration is also growing. So, we remain focused on China, and we still see opportunities in the long-term view.

Jose Asumendi – J.P.Morgan

Thank you. And following up a little bit more short term as we think about first half '27, and we've seen these cycles, right, high inflation costs and you achieve efficiencies and you pass on price increases and you've set the raw materials and the execution is there quarter after quarter, year after year. Can you help us travel a bit more into first half '27? Do we see some mechanical margin contraction as a result of the inflation cost and then some expansion and then you focus on cash flow, just any comments. I know it's too early for '27 guidance, but any comments with regards to the different cycles and what you have seen in the last years and how Pirelli is positioned for this into '27. Thank you.

Andrea Casaluci - Chief Executive Officer

What we can tell you and that we are very confident on our strategy, which will not change. We will remain focused on the High Value, doing all everything is on our hands to compensate the negativity coming from high inflations, which is written already in numbers in the first at least three, four months of 2027. So, we will keep on working on the price power and price performance of our products, and at the same time, on our efficiency plan.

As I said before, we do expect to go in continuity with our efficiency's programs, but it's too early to have a clear understanding of the first half because the volatility on the input cost is still very high. You see what is happening on the oil price in the last, if not days, hours and so we need some weeks to have a better understanding of the picture of 2027. Thank you.

Thomas Besson – Kepler Cheuvreux

Thank you very much for taking my questions. Good evening. It's Thomas Besson with Kepler Cheuvreux. I have three questions as well, please.

Firstly, I'd like to come back on your India project. I mean, I was willing to get a bit more comment from you, both on whether you're targeting the local High Value market and I would be keen to hear a bit of few numbers about that market because from the outside it doesn't seem to be a huge High Value market and whether this is eventually a strategy to export from India to other markets or not or if it's purely for the local market. And also on India, the BKT choice: they are, as you say, a standard specialist focusing on industrial tyres. I would have expected maybe someone in a kind of a closer segment as a partner. Could you explain a bit more why you've chosen them? I'm not sure I understood the first stage of the partnership before, it's a dedicated plant for you, but it's not a 50 50 JV, so how does it work exactly?

The second question is about volumes. I think this is the negative part of the scenario that is developing with a new wave of inflation. You're projecting volumes to be probably slightly negative again in Q4. Are there any comments you want to make already on what you think we should assume for replacement markets in '27 and whether it makes sense to assume volumes as well to be relatively close to zero overall in an environment of high inflation where price mix will be higher.

And last question, a detail on the numbers. I think you flagged lower PPA in Q3. Could you explain where it's coming from, what we should expect for Q4 and of 2027 in terms of the PPA figure? Thank you. Very much.

Andrea Casaluci - Chief Executive Officer

Thank you. For India, it's still a very small market in the High Value segment, which is our core business. That's the reason why we arrive in this market with local production, if you want to say, after the others because our addressable market is still very small. But the pace of growth is expected to be very high. On our estimation, the replacement market in 2030 will arrive at 50 million tyres potential, out of which ~20% 17 inches up and ~10% 18

inches up. That's the potential we see and that's the reason why we decided to start with an offtake agreement and not with our own facilities and local investment because we wanted to start growing local penetration, a distribution network, brand awareness and consideration to better understand the market, and to confirm this expectation of growth. As soon as all these points will be confirmed, we will be ready to enter into a joint venture with our local facilities. BKT, after scouting the market, has been identified as the best partner for us because they have a very high focus on innovation, sustainability, quality and technology. They lead the agro and industrial high-performance tyre market and we found out a very good fit also from values and cultural perspective. They are entering into the consumer business, till now they were out of this segment, and so I think there are a lot of synergies we can develop together. Export is not expected in the first phase, so we want to focus these 800,000 pieces of offtake agreement for the local market. But as soon as we will develop our own facilities, export from India will be also an option to be carefully evaluated.

On the global volume market for 2027, we have a positive expectation for the replacement High Value market. We do expect to see mid-single digit growth on the High Value market as it has been in 2026 and in the last year. There is a proven resiliency of this segment. While in the Original Equipment, personally, I'm not optimistic for the first quarter or half of 2027 because I still see some difficulties mainly coming from China to recover in the car registration. But all-in-all, High Value is confirmed to remain more resilient than the total market. That is too early to have a full picture for the market. While on PPA, I leave the word to Mr.Bocchio. Thank you.

Fabio Bocchio - Chief Financial Officer

Yes. On the PPA, I'll take this one. Actually, you are right. For this year, we foresee a depreciation of the PPA lower than previous year. We expect this year to arrive just below the EUR100 million, while last year it was EUR107 million roughly. And the main driver for this reduction is related to the end of depreciation of the customer relationship, which was built up at the beginning of the process. For next year, we foresee an additional step down of the PPA and the final value to be depreciated will be in 2035.

Andrea Casaluci - Chief Executive Officer

Sorry, allow me to add one last point on India market I forgot before. It is also becoming more and more interesting for us because European, South Korean, Japanese car makers more and more are entering the market with local production or they declare to have planned to grow; this is a further opportunity for us to stay beside our historical customers. Thank you.

Marco Tronchetti Provera – Executive Chairman

All right, ladies and gentlemen, this ends our presentation. Thank you for your attendance and have a good evening.