



Pirelli & C. S.p.A.
FY 2024 Preliminary Results
Conference call transcript
February 26^h, 2025

Marco Tronchetti Provera - Executive Vice Chairman

Key messages

» 2024 results confirming a solid execution despite a challenging external scenario:

- High Value position further strengthened, with market share gain across regions
- Solid price/mix (+2.5%) driven by product mix enhancement
- Profitability above targets, supported by internal levers (price/mix & efficiency)
- Deleveraging path confirmed thanks to a strong net cash flow generation above targets

» Sustainability on track with targets:

- Significant progress on People, Products, Climate and Nature
- Pirelli confirmed "Top 1%" of S&P Global 2025 Sustainability Yearbook, the only tyre maker

» 2025 Guidance confirms all the Industrial Plan metrics, despite a tougher scenario

- In case of application of US duties, not included in our guidance, a contingency plan is being defined with the aim to ensure cash generation and de-leverage targets and to reach the low end of the Adjusted Ebit guidance.



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

2

Good evening, Ladies and Gentlemen,

The results for 2024 confirm the resilience of our business model. In a challenging external environment:

- ▶ we strengthened our positioning in High Value, our main growth driver;
- ▶ the effectiveness of internal levers (price/mix and efficiencies) led to an improvement in profitability, the highest among Tier 1;
- ▶ finally, we reduced debt, with a cash generation above target.

Important progress was also made on the Sustainability front:

- ▶ the safeguard of Health and Safety in the workplace and the development of people remain our priorities;
- ▶ we are strongly committed to the development of products and materials with a lower environmental impact and;
- ▶ finally, we accelerated the decarbonisation process along the value chain.

These results consolidate our leadership within the industry, as acknowledged by the most important Sustainability indices.

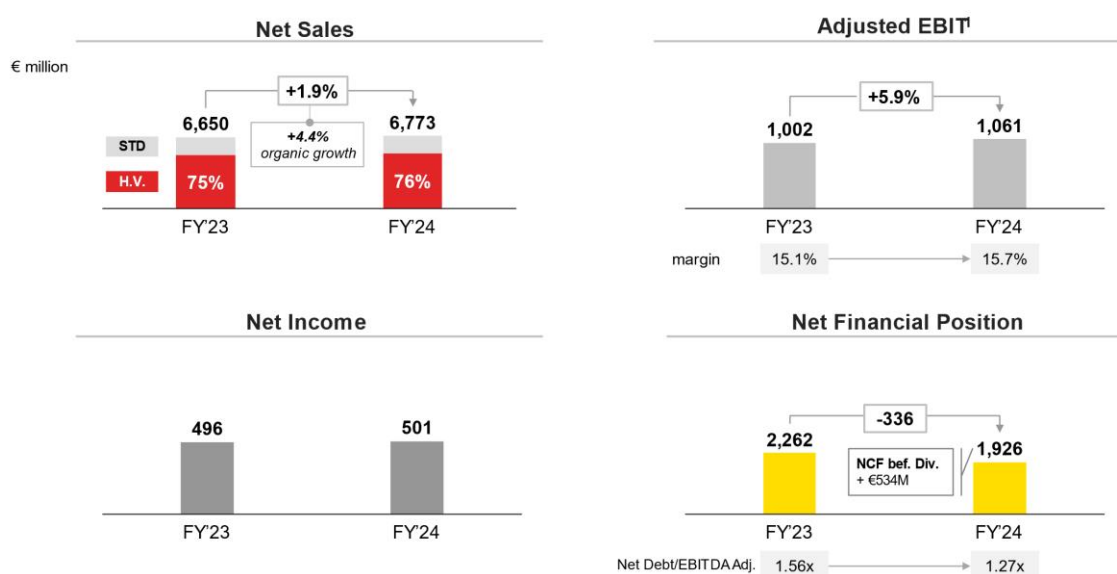
For 2025, we confirm the targets of the Industrial Plan presented in March 2024, despite a more challenging external environment.

Our targets do not include the potential application of tariffs in the US, given the uncertainty regarding their amount and timing. We have defined a contingency plan to mitigate this impact which will allow us to maintain cash generation and deleveraging targets and reaching the low-end of the adjusted EBIT guidance range.

I now leave the floor to Mr Casaluci.

Andrea Casaluci - Chief Executive Officer

FY 2024 results confirm the strength of our business model



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

¹ before amortization of PPA, nonrecurring items, restructuring costs & other adjustments

4

Thank you Mr Tronchetti and good evening everyone.

We are closing 2024 with results above expectations, despite the volatility of the macro-economic and geopolitical scenario.

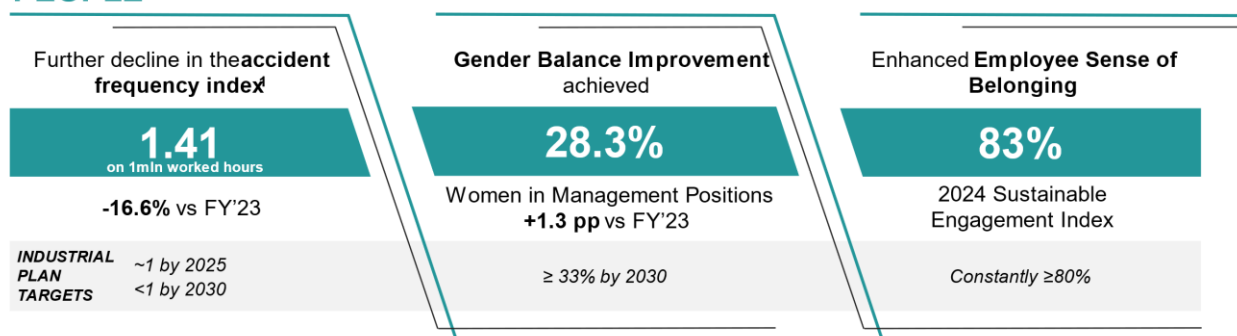
More in detail:

- ▶ Revenues of approximately 6.8 billion euro, up by 1.9% due to a solid commercial performance, with High Value accounting for 76% of Revenues, an improvement of 1 percentage point compared to 2023.
- ▶ Adjusted Ebit was around 1.06 billion euro (+5.9% yoy) with a profitability of 15.7%, higher than the target (~15.5%) and growing year on year, thanks to the contribution of internal levers.
- ▶ Net result was equal to 501 million euro which, as Mr Bocchio will present, discounts non-monetary impacts related to hyperinflation.

- ▶ The Net Financial Position was negative for approximately 1.9 billion euro, down 336 million euro compared to the end of 2023. Cash generation before dividends was higher than expected: 534 million euro compared to the target of 500-520 million euro, due to the solid operating performance and lower financial expenses paid.

FY 2024 Sustainability achievements

PEOPLE



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

1. Frequency Index(FI): $\frac{\sum (\text{Fatalities} + \text{Serious lost time injuries} + \text{Lost time injuries})}{800,000 / \text{worked hours}}$ If calculated based on 200,000 hours worked Index 2024 is 0,28, ~0,2 @2025 and <0,2 @2030.

5

In 2024, Pirelli further strengthened its commitment and focus on safety, engagement and development of our people.

The main results achieved are coherent with our targets:

- ▶ we further decreased the Accident Frequency Index by 16.6% through prevention and training;
- ▶ the number of women in managerial positions increased to 28.3% globally, +1.3 percentage points compared to 2023;
- ▶ finally, the engagement rate is confirmed at 83% (Global Sustainable Engagement Index), testifying the strong involvement and motivation of the group's employees.

FY 2024 Sustainability achievements



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

¹⁾ vs 2018
²⁾ PZERGE measure 255/50R20- iPCode 42871- thanks to a combination of physical segregation and mass balance approach
³⁾ vs 2015
⁴⁾ Full details available in appendix

6

2024 was a year of strong push on decarbonisation with:

- ▶ a reduction of absolute CO₂ emissions in our factories (-57% compared to 2018)
- ▶ and a decrease of emissions from our suppliers (-26% compared to 2018)

These results are consistent with our goal of Carbon Neutrality by 2030 and our target of Net Zero by 2040, as validated by the Science Based Targets Initiative.

The percentage of bio-based and recycled materials is increasing, reaching 58.5% in our best-selling product on the market.

To protect biodiversity, we further reduced our water consumption: -34.6% in areas with high water stress compared to 2015 and -51.4% if we consider all the Group's production sites.

These results confirm our global leadership in the sector, as recognised by the most important sustainability indices.

FY 2024 Strategic programs: delivery in line with targets

 COMMERCIAL	 Global H.V. leadership further strengthened	» Car ≥18" (OE+Repl): +5% in FY vs +4% Mkt » HV OE market share gains, China drives outperformance » HV Repl. Outperforms in all regions, thanks to our OE pull-through model and new replacement products
 INNOVATION	» Widening our OE portfolio » New products launched » Cyber Tyre	» 306 new car homologations (~90% ≥19", >50% EV), EV portfolio reaching ~810 homologations (#1 worldwide) » 7 new Car products launched, 5 two-wheels » JDA Pirelli – Bosch evolving
 OPERATIONS	» Increasing efficiencies » Improving operations and environmental footprint	» €143M gross savings, fully offsetting inflation » Increasing automation to improve productivity and efficiency » ~86% capacity utilization (~95% in High Value) » Accelerating plant decarbonization, supported by the electrification of curing presses



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

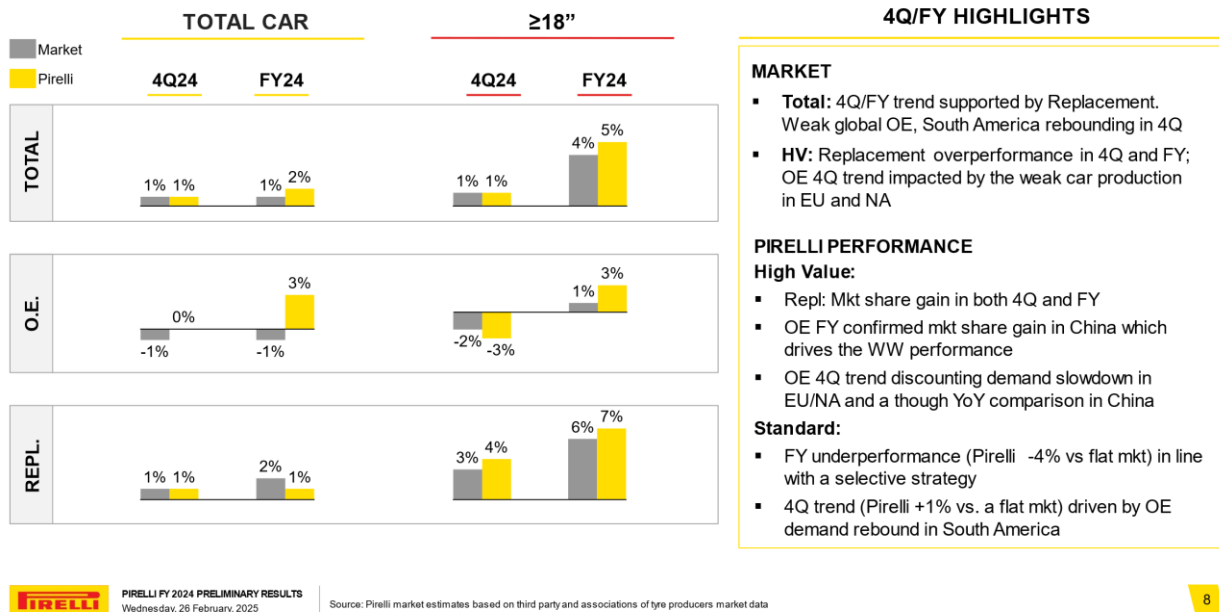
7

Let's move to operational performance.

- ▶ Our Commercial Program enabled us to gain market share in the High Value segment.
- ▶ In the Innovation Program
 - ▶ we expanded the OE portfolio, mainly in the electric vehicles and higher rim sizes;
 - ▶ we launched 7 new products for Cars and 5 for the two-wheels;
 - ▶ while the partnership with Bosch for the development of the cyber tyre continues.
- ▶ In the Operations Program:
 - ▶ we reached efficiencies of €143M, fully offsetting the impact of inflation.
 - ▶ Finally, as a result of the electrification of the curing process, our plan to decarbonise our factories is accelerating.

Let's review each program in more detail.

Commercial Program: Pirelli outperforming market, driven by HV



Let's start with the Commercial program. Our distinctive positioning in the High Value segment enabled us to outperform the market in 2024, recording a 2% growth in car volumes vs. +1% of the market.

In the ≥18" segment, we gained market share

- ▶ both in Original Equipment, where we expanded our collaboration with Chinese Premium New Energy Vehicle manufacturers, and
- ▶ in Replacement, where we are benefitting from the effectiveness of our pull-through strategy and product innovation.

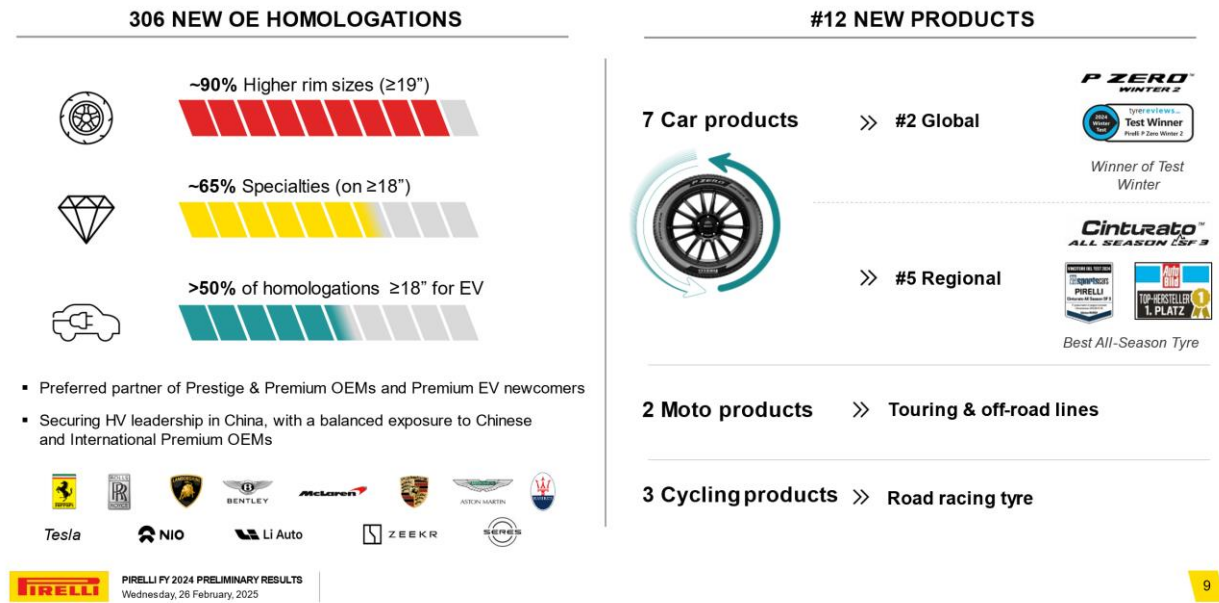
Exposure to Standard is decreasing (Pirelli Car volumes ≤17" -4% vs a flat market) in line with our selectivity strategy.

In the fourth quarter, we outperformed the market of Replacement ≥ 18", also benefitting from the good performance of the winter season in Europe.

The OE trend in Q4 is influenced by the weakness of the market in Europe and North America and by an unfavourable comparison basis in China. It is worth mentioning that in Q4 2023 Pirelli recorded strong sales growth due to new contracts with Chinese Premium New Energy Vehicle manufacturers.

Cutting edge innovation

Strengthening our leadership in HV homologations & upgrade of Regional lines to meet local customers' needs



The Innovation program continued in 2024.

We achieved 306 new homologations with a strong focus on $\geq 19"$, Specialties and EVs, to meet the increasingly stringent performance and safety requirements of our Premium and Prestige partners.

We expanded the product range with the launch of 12 new products.

For the Car segment, we introduced 7 new product lines with a high technological content :

- ▶ 2 global lines (winter and all seasons)
- ▶ 5 regional lines, specific to Europe and APAC.

Among the new products, two stand out: the Pzero Winter 2, winner of TYRE REVIEWS 2024, and the Cinturato All Season SF 3, awarded "Best All Season Tyre" by Auto Bild.

For the two-wheels segment, we introduced:

- ▶ 2 Motorcycle products, focused on *Touring* and *Off-road* lines, and
- ▶ 3 Cycling products, mainly for *road racing*

Efficiencies in line with expectations and fully offsetting cost inflation

Design modularity, electrification of manufacturing, process digitalization and SGA cost reduction are driving efficiencies program

		Focusing on:	FY 2024	4Q 2024
	Product Cost	>> Modularity >> Design speed and virtualization		~10% of FY
	Manufacturing	>> Energy consumption & electrification >> Automation, industrial IoT & flexible factory >> Waste reduction		~50% of FY
	SG&A	>> Logistics & Go-to-Market >> G&A belt tightening >> Procurement rationalization		~10% of FY
	Organization	>> Process digitalization >> Organization transformation		~15% of FY
Total Gross Impact			~€143M	



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

10

Finally, the efficiency program: 143 million euro, in line with the target, and able to compensate for input cost inflation, in particular labour and transport costs.

In detail:

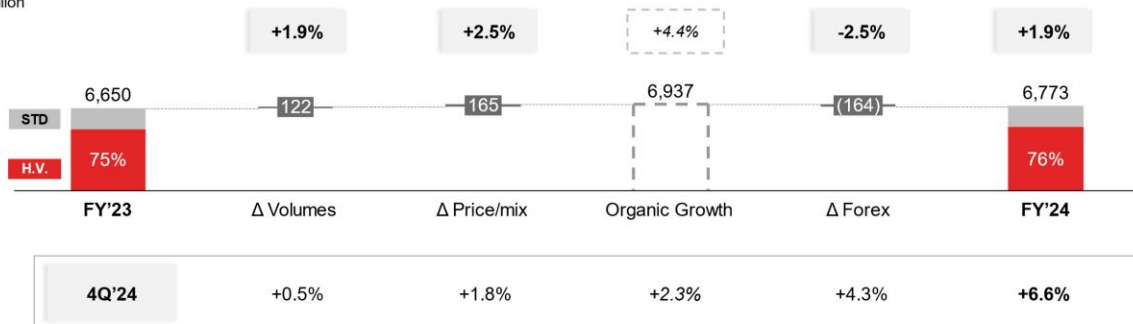
- ▶ The greatest benefits come from the Product cost area due to the adoption of new design programmes, such as *design to cost*, and virtualisation, that has allowed us to reduce tyre development time by 30%;
- ▶ Manufacturing generated, as expected, greater efficiencies in the latter part of the year, with projects to automate plants, electrify the curing phase, and improve energy efficiency.
- ▶ In the SG&A project, the rationalisation of the supply chain, and the optimisation of general and logistic costs continued.
- ▶ Finally, the benefits of the Organisation project derived from the digitisation of internal processes and the upskilling of personnel.

I now hand over to Mr Bocchio

FY 2024 Sales bridge

Solid organic growth supported by a sound commercial performance across the year. FX rebounding in 4Q

€ million



» **Volumes** trend in line with guidance, supported by HV growth while reducing exposure to Standard

» **Price/Mix** in line with Nov. guidance, driven by consistent product mix improvement (increasing demand for higher rim size on HV & Std)

» **Forex** trend in 4Q discounting a favourable YoY comparison (-10,6% in 4Q'23) and US\$ appreciation



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

11

Thank you Mr Casaluci, and good evening everyone.

Let's now analyze our 2024 performance in more details .

Pirelli closed the financial year with revenues of approximately 6.8 billion euro and an organic growth of +4.4%, thanks to a solid commercial performance:

- ▶ The trend in volume sales (+1.9% in 2024), in line with the guidance, reflects the strengthening of the Car ≥18" segment and the gradual reduction of exposure to the ≤17" segment, as already explained by Mr Casaluci.
- ▶ The price/mix (+2.5%) was supported by the progressive transition from the Standard segment to HV and by an improvement in the mix within both segments.

On the other hand, the impact of Forex (-2.5%) was negative, reflecting the volatility of emerging countries' currencies.

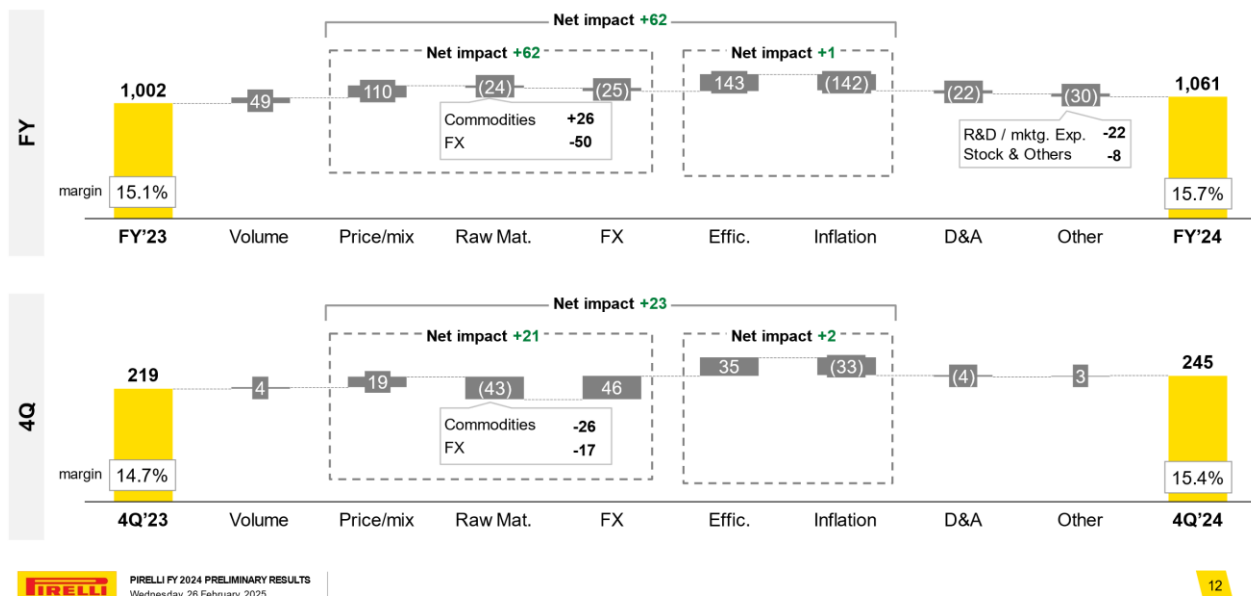
In the fourth quarter, organic revenue growth was +2.3%, supported by

- ▶ on one hand, the good performance of the price/mix (+1.8%), driven by the constant improvement of the product mix; and
- ▶ on the other hand, by the volumes (+0.5%).

The Forex impact was positive (+4.3%), benefiting both from the appreciation of the dollar, and from the favourable comparison basis, as in Q4 2023 the exchange rate impact had been particularly negative (-10.6%).

FY/4Q 2024 Adjusted EBIT

Profitability improvement supported by internal levers (volumes, price/mix and efficiencies)



Pirelli is closing the year with an adjusted EBIT of €1.06 billion, up 5.9% compared to 2023, with an adjusted ebit margin of 15.7%, improving year-on-year by 60 basis points as a result of commercial performance.

More specifically:

- ▶ The contribution of volumes was positive for 49 million euro;
- ▶ The price/mix (+110 million euro) more than offset the impact of raw materials (-24 million euro) and the negative effect of Forex (-25 million euro);
- ▶ Efficiencies (+143 million euro) covered inflation (-142 million euro).

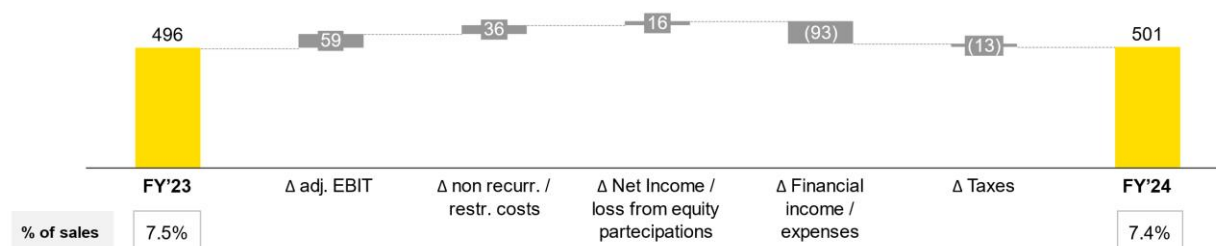
Finally, there was a negative impact of depreciations and amortisations (-€22 million) and of the other costs (-€30 million), mainly related to Marketing and R&D.

In the fourth quarter, Adjusted Ebit stood at €245 million, an improvement of approximately €26 million compared to the same period of the previous year. Adjusted Ebit Margin improved to 15.4% (it was 14.7% in the fourth quarter of 2023), thanks to the positive effect of the price/mix, efficiencies and exchange rates, which more than offset the increase in the cost of raw materials and inflation.

FY 2024 Net Income

Earnings trend reflecting different dynamics: non-cash impact in 2024 and Patent-box benefits in 2023

€ million



» **FY'24 Financial Income and Expenses** for a total -€287M including -€53M non-cash impact linked to forex and hyperinflation

» **Taxes:** higher than FY'23 due to Patent Box benefits Years 2020 -'21-'22 included in 3Q'23 (~40€M). Better Tax rate than expected (~23% vs. 26% expected) due to positive tax litigation outcome



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

13

Let's now move to the Net Income, equal to €501 million, up from €496 million in 2023.

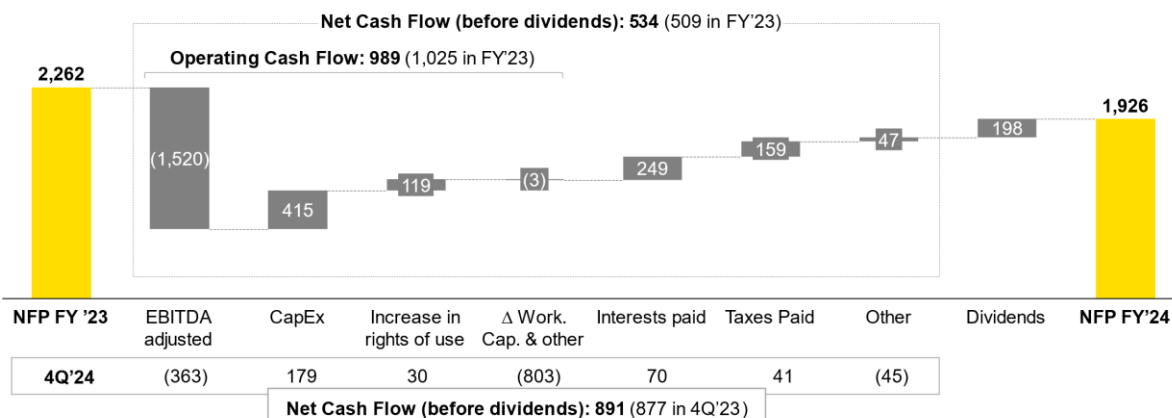
This trend reflects:

- ▶ the improvement in operating performance for €59 million, whose dynamics have just been described;
- ▶ the reduction in non-recurring costs (€36 million) and the improvement in the result of equity participations (€16 million), mainly in China and Indonesia;
- ▶ the increase of net financial expenses which discount a non-monetary impact of €53 million linked to hyperinflation.

Finally, the increase in taxes (13 million euro compared to 2023) is linked to the different tax rate of the two financial years. In 2024, the tax rate was 22.6%, better than the 26% expected, due to some positive tax litigations development, which impacted positively for about 30 million euro, mainly in Q4 2024. In 2023, on the other hand, the tax rate was 21.3% and included tax benefits of 40 million euro relating to the Patent Box for the three-year period between 2020 and 2022.

FY/4Q 2024 Net Financial Position

Strong cash generation driven by a solid operating performance



» **Inventory** at ~21.7% (vs 20.6% in FY'23), due to dollar appreciation in 4Q and inventory build -up in US in light of potential tariffs

» **Receivables** at ~9.2% and **Payables** at ~30.7%, substantially stable YoY



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

14

Pirelli closes 2024 with a negative Net Financial Position of approximately 1.93 billion euros, with a cash generation before dividends of 534 million euros, which is

- ▶ 25 million euros higher than in 2023,
- ▶ and 58 million euros higher excluding the impact of extraordinary operations (acquisition of Hevea Tech and contribution to the JV in Saudi Arabia).

The improvement in cash generation before dividends is attributable to the operating performance and the reduction in financial expenses paid.

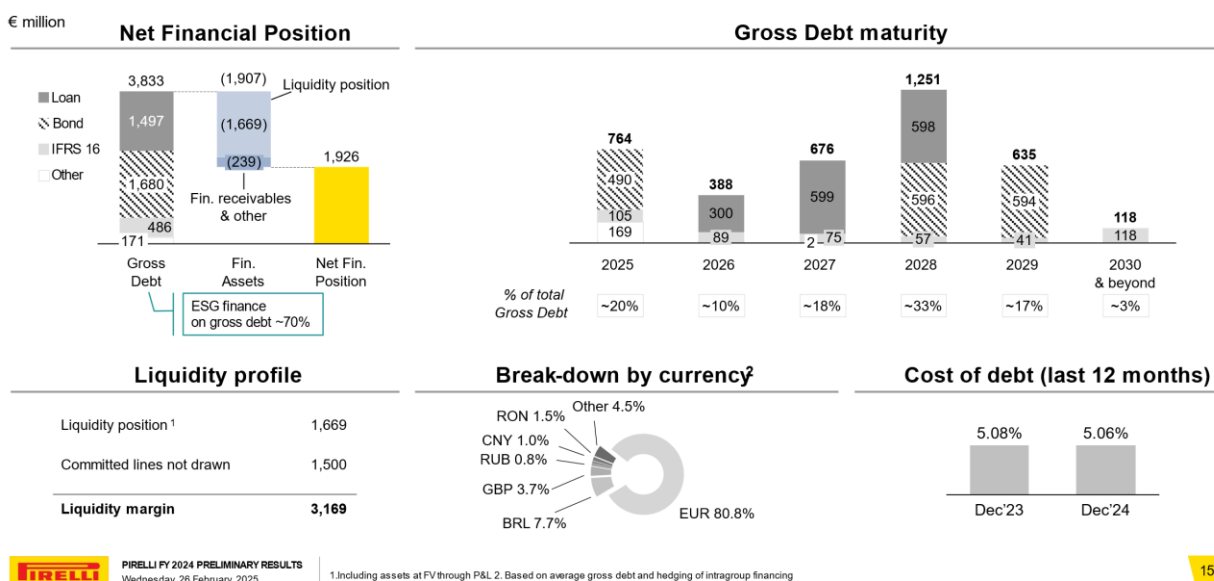
Net cash flow from operating activities amounted to €989 million and reflects:

- ▶ the operating performance already commented
- ▶ capital expenditure of €415M related to High Value activities, technological upgrades and factory automation;
- ▶ increase in rights of use;
- ▶ The contribution from working capital management was positive, although lower than the previous year, due to the appreciation of the dollar and the adjustment of inventory levels, mainly in North America, in light of the potential introduction of duties. The weight of trade receivables (9.2% of revenues 2024, 9.8% in 2023) and trade payables (30.7% in 2024, 30.1% in 2023) remained substantially unchanged.

Net cash flow before dividends in Q4 2024 was positive at 891 million euro, an improvement of 14 million euro compared to 877 million euro in the previous year.

Gross Debt structure as of December 31th 2024

Liquidity margin covering 4.5 years. Sound Investment Grade metrics sustained by liquidity profile, strong cash generation & reduced financial leverage



The group's gross debt as of 31 December 2024 amounts to approximately 3.8 billion euro. Considering financial assets of approximately 1.9 billion euro, the Net Financial Position is therefore equal to approximately 1.9 billion euro.

Let me summarize the main transactions of the year:

- ▶ In March 2024, we signed a new ESG bank loan for 600 million euro with maturity in 3Q 2028, and
- ▶ in July we issued a 600 million euro Sustainability Linked bond with a 5-year maturity;
- ▶ at the same time, we paid back all the debt due, up to the first half of 2025. The combination of these transactions improved the debt maturity profile, with 70% of the debt maturing from 2027 onwards.

Finally, as a result of stable cash generation, we ended the year with a liquidity margin of approximately 3.2 billion euro, of which 1.5 billion euro in undrawn committed credit lines. This margin covers debt maturities until Q3 2029, that is for more than 4 and a half years from now.

As of 31 December 2024, sustainable finance continues to account for approximately 70% of the Group's gross debt, or 85% if we consider the holding company's debt.

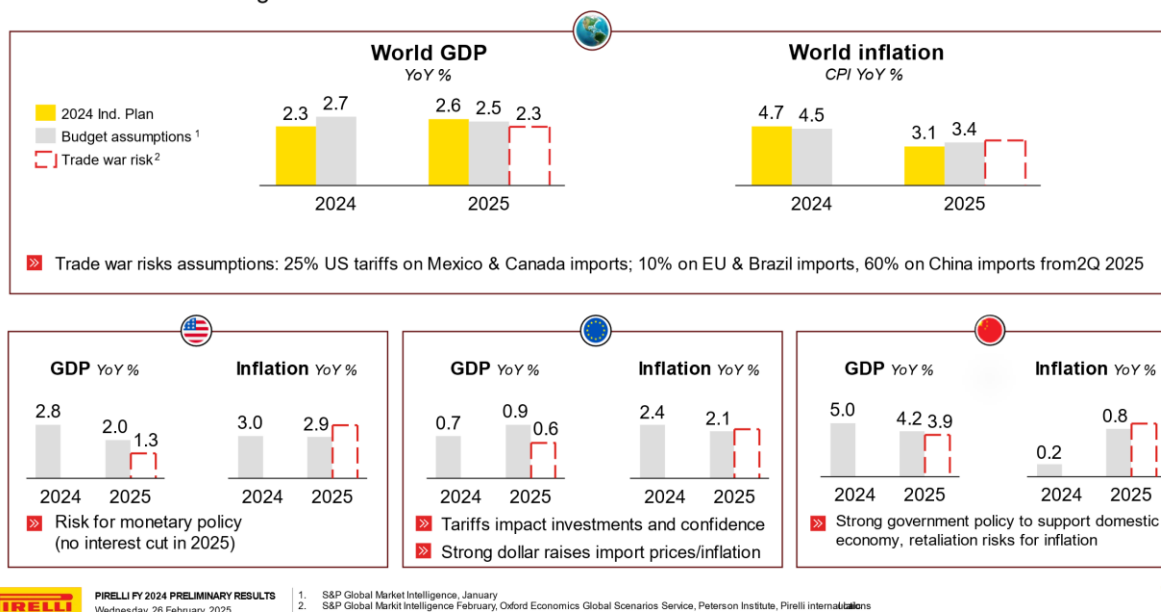
Finally, the cost of debt calculated over the last 12 months stands at 5.06%, basically in line with last year.

I now leave the floor to Mr Casalucci

Andrea Casaluci - Chief Executive Officer

Geopolitical risks are rising and impacting the macroeconomic scenario in 2025

Trade tensions are looming with effects on GDP and inflation



Thank you Mr. Bocchio.

Let's now move to the second part of our presentation.

The macroeconomic scenario we expect for 2025 is characterised by

- ▶ a global GDP growth of 2.5%, broadly in line with the forecasts of the business plan presented in March 2024,
- ▶ and by lower inflation than in the previous year.

The current trade tensions pose a risk to this scenario.

The application of tariffs advanced by the US Administration¹, still under definition, could slow down economic growth and contribute to inflation.

The impact of tariffs could affect both:

- ▶ the supply chain, with a resulting increase in production costs, and
- ▶ the final demand.

Inflation would also limit the Federal Reserve's room for action by maintaining a restrictive monetary policy.

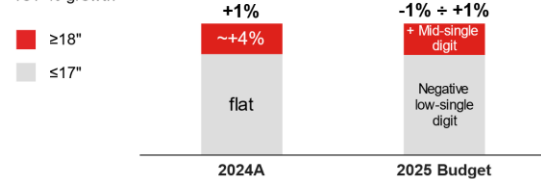
According to the first simulations², if import duties are applied, economic growth could be impacted by approximately 20 basis points versus current estimations.

Car Tyre demand in 2025: resilience is confirmed for ≥18" segment

Demand for ≤17" still weak in key Standard regions

Global car tyre market

YoY % growth



» **O.E.:** declines low -single digit due to weak car production in EU & N.A.

» **REPL.:** flat / slightly positive across markets

» **Car. ≥18":** mid-single digit Replacement demand, car production expected to recover in 2H

» **Car ≤17":** demand declines year -on-year, both on OE (with the exception of LatAm where the rebound continues) and Replacement

≥18" Regional car tyre market in 2025

YoY growth

	Europe	Replacement expected to growth while OE still negative
	North America	Stable OE and positive Replacement demand
	China	Low single -digit growth both on OE and Replacement channels

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



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

18

Let's now analyse the outlook that we foresee for the Car Tyre demand in 2025.

We forecast a substantially stable Car Tyre market for 2025 (~-1% ÷ +1%), with opposite trend by channel:

- Original Equipment is expected down low single-digit due to the on-going weakness of car production in Europe and North America; whereas
- the Replacement channel is expected to be stable or slightly up year-over-year across Regions.

High Value confirms its resilience with a mid-single-digit growth rate, driven by Replacement in Europe, North America and China.

Demand for Original Equipment ≥18" is forecasted stable, thanks to the recovery of car production in the second half of the year and to the demand in China.

In car ≤17" demand will be negative low-single-digit in both channels.

In this scenario, Pirelli confirms its strategy of gaining share on Car ≥18" and reducing exposure on Standard.

Main priorities to strengthen Pirelli HV technological leadership & cope with the new scenario



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

19

To cope with the emerging scenario and strengthen our technological leadership, we have identified three priorities:

- ▶ The first is Product Innovation:
We aim to expand our technology portfolio to meet the needs of new high-end vehicle manufacturers, satisfy the needs of different consumers and exploit growth opportunities in new profitable business areas.
- ▶
- ▶ The second priority is the Transformational Efficiency, leveraging on new technologies, automation, and digital solutions to drive a sustainable transformation of our cost base
- ▶
- ▶ Finally, the third priority is the Value Chain Resilience. We aim to:
 - further strengthen our local-for-local strategy,
 - respond quickly to the possible introduction of tariffs, and
 - expand our customer base both to new car manufacturers and in markets where we can grow, such as South East Asia, Pacific and East Europe.

Forefront product innovation in 2025

Supporting High Value growth

Further exploring intelligent tyre technology with **Cyber Tyre**

Accelerated by **joint development cooperation with Bosch**

Supply agreements with Prestige and Premium carmakers

Widening **OE portfolio**, while responding to **OEMs newcomers' challenging requirements**

>300 homologations
[o/w ~90% ≥19", >60% NEV]

Accelerated product development with virtual design + AI

New car products launch
7 in 2024 | 9 in 2025

Increasing **High Value** weight

~78%
on Group sales, +2pp yoy



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025



20

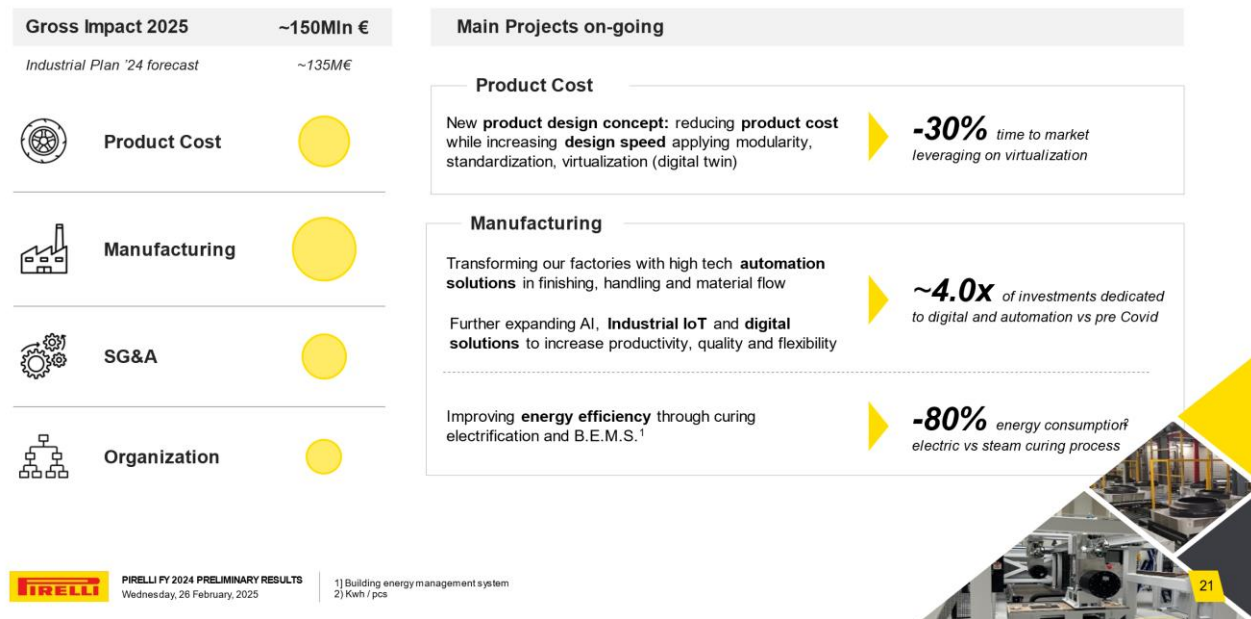
Let's start from Innovation.

- ▶ Connectivity is an important challenge for the future. Our collaboration with Bosch continues:
 - we have defined a multi-year roadmap of performance and safety features, and
 - following the project with Pagani, our cyber tyre solution will be made available to other Premium and Prestige car makers.
- ▶ Our portfolio will expand with over 300 homologations, with a strong focus on the higher rim sizes and New Energy Vehicles.
- ▶ In 2025 we will introduce 9 new Car products, developed also with virtualization and artificial intelligence.
 - In the OE channel, we will launch a new generation of products that will strengthen Pirelli's technology portfolio by optimising the performance of the new generation of high-end vehicles.
 - On Replacement, we will renew our regional lines to meet the needs of local consumers while strengthening our positioning in specific business segments, such as All Terrain in North America.

These actions will support our commercial strategy which will translate into an increase of High Value weight: 78% of the Group's Revenues in 2025, up 2 percentage points year over year.

Transformational efficiency in 2025

Competitiveness programs boosted by automation and digital solutions



Let's move to the second strategic priority.

In 2025 the efficiency program is going to accelerate: approximately **150 million euro** compared to 135 million euro announced in March 2024.

Automation, electrification, digitization of plants and processes are the hinges of this transformation path.

Let's start with the Product Cost program, where we are significantly investing and that allows Pirelli to develop tyres in a different way:

- ▶ by adopting a modular approach and cutting design time and costs, whereas
- ▶ the virtualization of development stages allows a 30% reduction of the time-to-market.

The Manufacturing program aims at increasing productivity, quality and flexibility in plants by:

- ▶ automating some production steps (finishing, handling and materials flows), and
- ▶ adopting digital solutions driven by IoT and AI.

Plants energy efficiency is also improving: the electrification of curing allows an 80% reduction of consumption compared with steam curing process.

Finally, we continue to optimise our organisation and logistics footprint, in line with 2024.

Given the timing of the implementation of some programs, in particular the manufacturing project, the efficiency contribution will be more relevant in the second half of the year.



Mitigation Plan on US Duties



Pirelli in US: key figures

- » >20% of group Revenues, mainly High Value
- » >50% from Mexican plant, ~ 40% from Brazil & EU
- » Georgia **high-tech plant** producing ~0.4 mln tyres

Pirelli operations in the US

- » North America HQ in New York
- » Operations HQ in Atlanta and Detroit
- » MIRS tire manufacturing plant in Rome, Georgia

2025 Contingency Plan in case of duties

- » Higher Imports from Brazil and increase in local capacity
- » Commercial policy review based on inflationary expectations
- » Cost cutting

In case of application of tariffs, Pirelli will leverage both on exogenous factors (Forex) and the contingency plan to mitigate the impact.



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

22

Let's now focus on the contingency plan for the potential introduction of tariffs in the US.

Our US business contributes more than 20% of Group sales. However, our production in the US is limited. The plant in Georgia, which has the group's highest level of automation (MIRS), has a capacity of around 400 thousand high tech tyres.

To meet demand, we import more than 50% from Mexico and about 40% from Brazil and Europe.

If tariffs are introduced, to mitigate the impact we will leverage both:

- ▶ on exogenous factors, such as forex movements, and
- ▶ on a contingency plan.

This plan provides for:

- ▶ increased imports from Brazil and US capacity increase. We have already started with a technological upgrade of the MIRS processes that will be the basis for the first step of capacity expansion in the U.S.
- ▶ Moreover, the commercial policy will be reviewed based on the inflationary scenario. We remind you that 30% of the overall US tyre demand is imported, so some inflationary pressure is expected.
- ▶ Our contingency plan also includes cost reductions additional to the 150 million euro benefits of the transformation plan.

FY 2025 Guidance

Targets do not include US tariffs impact, due to uncertainties related to these measures & timing of their application

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

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

We are working on a contingency plan to mitigate the impact of potential tariffs, with the aim to ensure cash generation and de-leverage targets and to reach the low end of the Adjusted Ebit guidance.



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

(*) Net Invested Capital adjusted for goodwill and PP&Intangibles and Tax rate adjusted in FY2023 for 2022 Patent Box impact

23

Finally, let's review our expectations for 2025.

In light of the results achieved in 2024, we confirm all the targets of the Industrial Plan presented last year.

Our 2025 targets are:

- ▶ Revenues between approximately 6.8 and 7.0 billion euro, with:
 - Volumes up between around +1% and +2%;
 - price/mix increasing by around +2% and +3%, mainly driven by the product mix;
 - Forex impact is expected to be negative, between about -2.5% and -1.5%;
- ▶ Profitability is due to improve with an Adjusted Ebit Margin of approximately 16%, also thanks to a strengthening of the efficiency plan, as already seen;
- ▶ Net cash generation before dividends is confirmed between about 550 and 570 million euro;
- ▶ Investments of approximately 420 million euro (around 6% of revenues) are confirmed.
- ▶ Net financial position is expected to be approximately -1.6 billion euro, with a leverage of around 1 time Net Debt on Adjusted Ebitda.

2025 targets do not include the impact of any possible U.S. duties, given the uncertainty around their application and timing.

The contingency plan, as already described, will enable us to meet cash generation and deleverage targets, as well as the lower end of the Adjusted Ebit range.

Sustainability targets confirmed

				2023	2024	2025	2030	
PEOPLE	 Safety first	» Towards zero accident at work	Accident Frequency Index ¹	1.69	1.41	~1	<1	
	 Engagement & Retention	» leveraging on employees listening and experience	Global Sustainable engagement index	83%	83%	≥80% constantly	≥80% constantly	
CLIMATE	 NET ZERO @2040 (Scope 1+2+3, SBTi approved)	» 95,6% of electricity purchased from the grid is renewable	CO ₂ absolute emissions Scope 1+2 ²	-45.0% vs 2018	-57.1% vs 2018	-60% vs 2018	-80% vs 2018	NET ZERO 2040 SBTi approved
		» Primary data available covering >90% of RM suppliers' total emissions	CO ₂ absolute emissions Scope 3 ³	-25.0% vs 2018	-26.2% vs 2018	-27% vs 2018	-30% vs 2018	
PRODUCT	 Efficiency & Safety	» reducing rolling resistance, never compromising on safety	Volumes A+B (Rolling Resistance and Wet Grip)	29.8%	34.5%	35%	>50%	
	 Bio-based & Recycled	» material innovation to increase non-fossil origin: PZERO E ⁴ , our lighthouse on the market.	Best product available on the market ⁶	55.5% ⁶	58.5% ⁶	>70%	>80%	
NATURE	 Freshwater	» reducing dependency and preserving water quality	Specific water withdrawal	-30.8% vs 2015	-34.6% vs 2015	-36% vs 2015	-45% vs 2015	
	 Biodiversity	» Biodiversity action Plan covering the five IPBES ⁴ drivers	High water stress areas All group sites % on all Pirelli Industrial sites & track test areas	-45.3% vs 2015	-51.4% vs 2015	100%	100%	

Full Pirelli sustainability plan and targets available on [pirelli.com](https://www.pirelli.com); Full 2024 performance will be available in 2024 Pirelli Sustainability Statement (CSRSD)



PIRELLI FY 2024 PRELIMINARY RESULTS
Wednesday, 26 February, 2025

Frequency Index (FI): 1 (Fatalities + Serious lost time injuries) x 1,000,000 / worked hours. If calculated based on 200,000 hours worked, Index 2024 is 0.28, -0.2 @2025 and <0.2 @2030. 2. Science Based Targets initiative (SBTi) approved. 3. Intergovernmental Science Platform on Biodiversity and Ecosystem Services (IPBES) – 5 Drivers are: resources exploitation, pollution, invasive species, climate change, land/sea use change. 4. P25000200 – P25000200 – P25000200 – thanks to a combination of physical segregation and mass balance approach. Bio-based materials are natural rubber, textile reinforcements, bio-chemicals, bio-resins and lignin, while recycled materials are metallic reinforcements, chemicals and – through mass balance – synthetic rubber, silica and carbon black.

24

Finally, we confirm our Sustainability targets for 2025:

- ▶ An on-going commitment to safeguarding People Health and Safety
- ▶ Progress in the decarbonization of the value chain
- ▶ Increase of bio-based and recycled material percentage which, in our best product, is going to exceed 70%
- ▶ Further reduction of water consumption to protect Biodiversity

These targets are consistent with 2030 objectives.

Thank you for your attention. I now leave the floor to Mr Tronchetti, for the final remarks

Marco Tronchetti Provera - Executive Vice Chairman

Thank you, Mr. Casaluci.

The 2024 results confirm the effectiveness of our business model, while the strategic priorities defined at both global and regional levels provide us with a clear direction. In addition, our proven ability to quickly react to external challenges makes us confident in our future path. Looking to 2025, we are determined to strengthen our technological leadership, improve profitability and reduce our debt fully aligned with the industrial plan target presented a year ago.

Mr. Casaluci explained our mitigation plan, and we have to add that, as part of our plans, we are evaluating material investment in the U.S. to increase our production capacity.

We can leverage on our leadership in technology, innovation on connected tires and ecosafety products and our iconic brand whose visibility is enhanced by Formula 1. We see this as an opportunity.

Thank you, and we can open the Q&A session.

Questions & Answers

Martino De Ambroggi – Equita

Thank you and good evening everybody .

- ▶ The first question is on the Standard profitability, not only in 2024, but also the projection in 2025, considering that the majority of your top line growth comes from High Value, going up to 78% of sales.
- ▶ My second question is a more strategic question, is on the deleverage because achieving your guidance, you will end the year with debt-to-EBITDA at around 1. I was wondering if you consider this level a point of arrival in the sense that you can think about things you never did so far because the focus was on deleverage, meaning maybe buyback, maybe M&A or what else?

Marco Tronchetti Provera - Executive Vice Chairman

Thank you for the question.

So I'll answer the second part of your question related to our financial position. First, we have to achieve the target, and we will achieve it. Then we have different options, obviously, on one hand, depending on the market growth, which can be an opportunity. On the other hand, there is buyback, as you mentioned, dividend increase, who knows.

So now we are in a volatile environment, but we have all the tools to navigate and to serve on it. We are focused on this. We have plans for the next years of investments, and we have to see the market opportunity. But we are open to any option that is in the interest of Pirelli future. Thank you. Mr. Casaluci, please

Andrea Casaluci - Chief Executive Officer

Back to the question on Standard, the Standard, it is today around 24% of our sales with a profitability that stays around 7%. In terms of volume, we are talking of around 20 million pieces. The target of reaching the double-digit profitability on standard is still there. We are not where we wanted to be, mainly because the Standard profitability in the last year has been negatively affected by Russia and Argentinian economic environment.

Nevertheless, we maintain the target of reaching the double-digit ROS in the coming years. The percentage of Standard will decrease year-over-year. And it's important to mention that in the High Value regions today, it represents already around 10%, maximum 12% of our total sales. So it's mainly concentrated in South America.

Thank you.

Martino De Ambroggi – Equita

If I may, just have follow-up on the tariffs. You mentioned the need to invest more. So the CapEx plan could be revised upwards because of need to adjust your footprint?

Marco Tronchetti Provera - Executive Vice Chairman

No, because this is not short term, obviously. Our financial plan for 2025 is confirmed and what you have in our presentation is what is going to happen. We are evaluating an investment. Obviously, the investment will start, we hope before the end of this year, but nothing that could affect our financials. And if we look forward, we can plan to invest more on one part or the other. So, no problem about our priority to have a stable financial position. We work on it. We are close to achieve 1x Net Debt / Adj EBITDA. This is our target, and we are working to achieve it.

Monica Bosio - Intesa Sanpaolo

Good evening and thanks for taking my questions.

- ▶ The first is on the price/mix. You are flagging plus 2%, plus 3%. Can I assume that in case of duties, this price/mix could be mostly mix. But in case of duties, are you planning any price increases? And if yes, can you give us any indications even if it's a little bit early? And I'm just asking also about the drop-through on the base case scenario, so the current guidance?
- ▶ My second question is on the market share gains. The company is still a little bit underrepresented in the United States. Can you give us some granularity on the current market share in U.S.A. and potential improvements the company made in 2024 in U.S.A?
- ▶ And finally, as for China, I remember that the overall market share was 16%, roughly 20% in Replacement in the region of 15% in Original Equipment. Can you comment on your expectations in terms of market shares in China going forward?

Andrea Casaluci - Chief Executive Officer

Thank you for your questions.

- ▶ Price/mix, +2% ÷ +3% of our guidance is mostly mix. In case duties will be applied on U.S import, one of the expectations we have is to mitigate the impact, as you mentioned, through price increase because as I said, we do estimate that 30% of the U.S. demand on tires is related to import. So there is not enough installed local capacities to satisfy the entire demand. In case of duties, we do expect an inflationary impact. It's not possible to mention the entity of these adjustments, of course, because we don't know exactly if and when duties will be applied and how big that will be. So we wait and see. That's the reason why we have not included in our plan numbers related to duties, but it's a mitigation plan out of the guidance.
- ▶ Price/mix drop-through in 2025 is expected to be around 65%, very close to the 2024.

- ▶ Regarding U.S. market share, let's remind that United States is the biggest high-value market of the world. It represents almost half of the global high-value markets. Our market share is growing year-over-year, but anyhow, it remains below the average we have at a global level. And we have around 5pp of gap versus the average, and that's the biggest opportunity we see in our future development on the sales growth in the High Value.
- ▶ Concerning China, you are right in the numbers you have mentioned, we target to remain in this position in terms of market share. It's a fast-growing market above all in the High Value Original Equipment, driven by the new electric vehicles. We want to serve the growing market, targeting the same market share. But looking forward in the mid/long term plan, all is related to technology and generally speaking, specialties and connectivity will drive the growth on the high-value market. That's the reason why we are preparing our homologations and our technology to gain market share in this future market.

Monica Bosio - Intesa Sanpaolo

Okay. Perfect. Just a follow-up. As of now, you have an equal exposure towards western car players in China and local Chinese players. Should we expect a reversal of the situation in 2025, so a higher weight of the Chinese local players?

Andrea Casaluci - Chief Executive Officer

In China we have a balanced exposure on OE. 50% of our OE sales are with Chinese premium carmakers (Li Auto, Zeekr, Nio, AITO Seres) and 50% still remains related to the very important European and American carmakers that are producing cars in China.

So we have a well-balanced exposure completely derisking the company against the rebalance of the competitive environment. The more the Chinese will grow or the more the European or the Americans will grow as far as is related to the premium segment, we will grow with them.

George Galliers – Goldman Sachs

Good evening and thank you for taking my questions.

- ▶ Firstly, I really wanted to follow up on the first question of the call around deleverage. Obviously, you're very confident around reaching 1 time, could you maybe just give us some insight of what do you think is the right level of leverage for Pirelli in the medium term in terms of balance sheet efficiency just given the sustainable and consistent free cash flow we've seen from the company over the last 2 to 3 years?
- ▶ Secondly, as you did mention M&A in your response, are there any particular areas that you are already thinking about with respect to M&A going forward?

- ▶ Finally, just a question more related to the state of the tire industry today. How do you see inventories by region in the High Value segment?

Marco Tronchetti Provera - Executive Vice Chairman

Thank you for your questions.

- ▶ First of all, about how we see deleverage looking forward. Now we are going to deliver what was in our plan. We have to prepare a new plan within a new plan taking into account of the environment of the growth potential of our technologies that are developing very fast, we will have opportunity to look around. What we see is more in the side of technology where we can, and we are already making agreements, which means that we look to partnership related to technology. So we have a clear view of our future. Our future is technology of tires and technology on connected tires. This will be step-by-step a revolution in the tire industry. We believe in connected cars and technology.
- ▶ Secondly, the answer on M&A. We don't have a specific target today. It will be based in our plan on the visibility we have in the future, always looking into sustainability because the key is to do things that are sustainable. We went through the COVID, and we are still leading the market. And I think that the resilience of our company has been delivered until now and will continue to be delivered.

Mr. Casaluci for the third question.

Andrea Casaluci - Chief Executive Officer

The third question on inventories. Inventories are normalized, I would say, all around the market is we are back to a normal level of inventories and the volatility in the inventory management is something less affecting the demand of the last months. And that's what we also see for the beginning of 2025.

Christoph Laskawi – Deutsche Bank

Thank you for taking my questions.

- ▶ The first one, actually a technical one on the guidance, where you say that if tariffs would occur and your measures take effect, you would still be at the lower end of the adjusted EBIT range. Does the range translate into 15.5% to 16.5% based on the 16% guide? Or could you just share comments on that?
- ▶ My second question is on the mitigation measures, how quick can you ramp up the flow of goods from Brazil into the U.S. You're already obviously exporting there. Is it easy to just ramp up the volumes? And could that be within a quarter or so? Or does it need far more time to prepare?

Marco Tronchetti Provera - Executive Vice Chairman

Mr. Casaluci will follow up with some more details, but we see the duties as something to be handled. So we are in a global world where regional became more evident, we organized the company in a way to be local for local. That's the first question. What we are saying that we have the opportunity, and we are analyzing it of growth in U.S.

Looking forward, the real mitigation in the new plan will be our growth in U.S., as Mr. Casaluci told us. I think that everything is based on business at the end of the day and it's convenient for any country, obviously, America in the first place, to provide opportunity of growth of investment, of employees, and we will do it. The duties at the end of the day, will be key in order to have growth in America, but also stability in Europe and China.

Now Mr. Casaluci, if you want to follow up

Andrea Casaluci - Chief Executive Officer

For what concern the first question, the impact on the guidance, just to summarize, the midpoint of our guidance as far as the EBIT adjusted is concerned, it is around EUR 1.1 billion. The low end of the guidance goes into EUR 1.07 billion. So the gap is around EUR 30 million. EUR 30 million, is what we do expect as net impact based on the worst scenario we see, so 25% import duties from Mexico to U.S. That is what has been announced by the American administration right now, but on hold, not really an execution until now, mitigated by the actions I mentioned before, price increase in U.S., exchange rate with the devaluation expected from the Mexican pesos, higher import from Brazil. Today, we import from Brazil to United States roughly 2.5 million tires. We can increase around 20% in a short term, in a few months and increasing in production capacity in U.S. Mr. Tronchetti mentioned that we are evaluating investment to increase the production capacity. Nevertheless, I remind you that we still have production facilities in the U.S. and we have land and we have build and we can grow and we can start to grow also in short term. In our CapEx for 2025, the EUR 420 million, there is still already included a part of this CapEx for the growth in U.S. And last point is the expected price increase in U.S., I mentioned before. So all in all, the net impact we estimate, but it's an estimation because it's so volatile, it lends into a net negative impact of around EUR 30 million, EUR 35 million.

That leads us into the low end of the guidance, it's the estimation, but it is a downside risk. It's not on our numbers today.

Thomas Besson – Kepler Chevreaux

Thank you very much. Good evening. I ask three questions, please.

- First question, your French competitor decided to put together motorbikes or 2-wheels along with its passenger car business. And actually, it comes exactly in line with what you're doing, if I understand correctly. Could you discuss in 2024, the dynamic you have seen in motorbike in terms of volumes and margins? Michelin suggests a clear improvement that should continue in 2025.

- ▶ The second, could you please give us an update on your Saudi Arabia project?
- ▶ Third and last question, on Russia, if we come to an end of the current Ukrainian war, could you share with us what the plans would be for your Russian assets?

Andrea Casaluci - Chief Executive Officer

Thank you.

- ▶ Regarding the first question on 2-Wheels, the outlook is stable on the 2-Wheels. 2-Wheels is a good profit pool for us. The profitability states around the 20s. So it is around 20%, 21% of return on sales. So it's a profitable business, growing because we are leading the high-value market on the 2-Wheels. And we are leveraging on our presence in motorsport activity, and in the Radial business with 2-brands strategy that we have in the market, Pirelli and Metzeler.
- ▶ Regarding the second question, the joint venture in Saudi Arabia is progressing. We have finalized all the agreement, and we plan to start the construction of the factory in the Q2 of 2025. I remind you that this is a joint venture where we are a financial partner with 25% stake. It's not consolidated in our numbers. We are partnering in terms of technological development, of course, and we will take advantage of this production source as an offtake for the Pirelli brand as well.

I leave the floor to Mr. Tronchetti for the question on Russia.

Marco Tronchetti Provera - Executive Vice Chairman

In Russia, we are in line with our plans. We stated since day one that our scope was as it has been in other countries in the past, to maintain the workforce and to guarantee them the welfare and not to have the burden of debt. This is going well. No news. Russian is isolated and is delivering what we had in our targets.

We continue like this. And our plan is to continue like it has happened until now, nothing changes.

Akshat Kacker - JPMorgan

Thank you, good evening, just a couple of questions left.

- ▶ The first one on the high-value replacement market. At the market level, you expect 5% growth in 2025, and you have talked about gaining market share and outperforming that number. I'm just interested if you see any difference in the first half performance versus the second half. We've obviously seen very strong numbers come out of January. But if you're expecting any big differences between the first half and the second half in terms of European or the overall high-value replacement market? That's the first question.

- ▶ And the second question is on FX. When I think about your Q4 bridge, there was a slight surprising development on the top line as well as drop-through to profits in terms of contribution from FX. Could you just explain that in a bit more detail, please?

Andrea Casaluci - Chief Executive Officer

Thank you for your questions.

- ▶ I will start from the high value market on the replacement. And generally speaking, the total market. Replacement, you're right, we do expect a growth in the 18 inches up markets of around +4% ÷ +5% and I do expect this growth to be more or less stable during the year. Maybe a bit more than 5% in Europe, supported also from a good start of 2025, but anyhow stable during the 2 halves. Where we do expect a different speed of growth is in the Original Equipment, where we do expect a first half still negative also in the High Value, slightly negative, while we do expect a recovery in the second half of the Original Equipment High Value, supported by a more favorable comparison versus last year, where in the last 4 / 5 months of 2024, we have faced a strong reduction of the Original Equipment in Europe and above all in North America with a huge destocking of the trade. That's the expectation we have. So a stable plus +4% ÷ +5% in replacement along the year and more conservative 1% 2% growth in the Original Equipment more positive in the second half.

I'll leave the floor to Mr. Bocchio for the question on the exchange rate. Thank you.

Fabio Bocchio - Chief Financial Officer

I will take the question on the FX.

- ▶ In the Q4 the ForEx impact was positive for EUR 46 million, and this was related to the consolidation of foreign markets EBIT in euro. The drop-through was not meaningful as we have the strong devaluation of the Mexican peso that started last June and affecting our cost structure for the production in our Mexican plant for the delivery in the U.S. market.
- ▶ On top of that, there was the positive impact of the currency mentioned as Argentinian peso and the Brazilian real. The U.S. dollar revaluation that occurred in the last part of 2024 had a very minor impact on adjusted EBIT. But the fact that the drop-through was not meaningful is mainly driven by the Mexican peso, where we have a very little impact on the top line as the local sales are not really representative for Pirelli Group, but the flow of products from Mexico to the U.S. is particularly significant.

So the impact of Mexican peso FX on our cost base is very significant.

Gianluca Bertuzzo – Intermonte

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

- ▶ The first one is on inventory level. Was sell-in in line with sell-out in 2024 or you had a tailwind or headwind from destocking or restocking?

- ▶ Second one, what should we expect in terms of net financial charges and JV contribution in 2025? And still on forecast, what is the assumption behind net working capital development?
- ▶ Last one on dividend policy. Should we assume a 50% payout on 2024 results?

Thank you.

Andrea Casaluci - Chief Executive Officer

I will start with the first question.

- ▶ Inventories are back to a normal level, basically everywhere in all the markets. We have been able to destock our partners during the last quarter of 2024, mainly North America and Europe, which is something we try to do every year because we do prefer to start in the most disciplined way each new selling season. But anyhow, nothing special, it's a stabilized environment.

I now leave the floor to Mr. Bocchio for the financial expenses and the working capital.

Fabio Bocchio - Chief Financial Officer

- ▶ On the financial expenses, I remind that in 2024 for the full year, financial expenses amounted to about EUR 287 million, out of which EUR 53 million were non-cash linked to inflation and currency devaluation in the high inflation countries. Now for 2025, we expect overall the financial charges to be lower, to be in the range of EUR 220 million to EUR 230 million, including non-cash item in the ballpark of EUR 30 million. 2025 shows lower impact from the financial income due to the reduction of gross debt and the reduction of interest rates in the euro area even if in some economies, such as in Brazil, there is a trend of interest rates rise. On the other hand, as I was saying, on the noncash item, we are expecting lower negative effects from the nonmonetary items compared to 2024 as inflation in Argentina has been steadily reducing and we are monitoring the situation. But for the time being, we are expecting lower impact in 2025.
- ▶ Regarding the working capital management, obviously, even in 2025 is one of our priority in order to manage the cash generation for the group. We expect an efficient management of our level of inventories, stock that in 2024 ended with an incidence of net sales of about 21.7%. We are expecting to be slightly lower than this number to stay around 21%, receivable to stay around +9% ÷ +9.5% and payables around +31% ÷ +32%. So payable and receivable pretty similar to 2024, but on the inventory, we expect it to be a little bit stricter on the management of the stocks.

Andrea Casaluci - Chief Executive Officer

Sorry, and the payout, the dividend policy also confirmed the 50% of the payout.

Stephen Benhamou - BNP Paribas Exane

Good evening. Thank you for taking my question. I have a couple of questions.

- ▶ The first one is about the U.S. sales sourced from Brazil and Europe. Could you please give us an estimate of what's the breakdown between the two regions? This is related to the fact that Trump announced this evening that he will soon impose a 25% tariff on auto imports from Europe.
- ▶ My second question is about the saturation rate of your existing capacities in Brazil? And if you would like to transfer part of European production there, would it be possible?
- ▶ My third question is regarding your expectation in terms of inflation in 2025. Do you expect your efficiency program to more than offset the expected inflation this year?

Marco Tronchetti Provera - Executive Vice Chairman

Thank you for the question.

- ▶ Inflation, as you know, if there are tariffs, the balance between the different currencies changes. This is a natural impact. Then there are all the mitigation plan Mr. Casaluci explained to us. And so looking forward, the only thing in this volatile world we cannot deliver today are details because details will come after a single law will be implemented. And talking about 25%, this is a negotiation that is in place between Europe and U.S. in which they are talking about the cars. We are not talking about our products. Our products are, let's say, not mentioned. But considering that we have a plan. We want to grow. We want to be in the United States and grow, as Mr. Casaluci stated, we want to grow because our market share compared to our brand, our technologies, connected cars is still lower than average, lower than average because we started investing in Mexico and U.S. after we invested in China. Now the focus is U.S., where we see the major opportunity, taking into account that our position is strong already and can be stronger because of our technology. The base of all what we are saying is the certainty that we handle our technology as leaders. We are a leader, you can navigate on situation. That is what we can say today that we are ready, as Mr. Casaluci said, to serve on that situation, knowing the risks because we are aware, we every day check what is happening, any statement made in any part of the world. But we see every day how to navigate and we move our details in order to navigate. That's the situation but we are used to be in this. The world has been always not easy. And I mentioned before, COVID, we did it. We came out of it. We didn't burn cash. At the end of the day, we are here delivering our plan.

Thank you anyhow for your questions

Marco Tronchetti Provera - Executive Vice Chairman

Thank you, everybody, to have been with us in this interesting conversation. I hope we answer all your questions in a way that is for you exhaustive.

Thank you, have a good evening.