



2023 RESULTS  2024-25 INDUSTRIAL PLAN UPDATE

Milan

6th March, 2024

Agenda

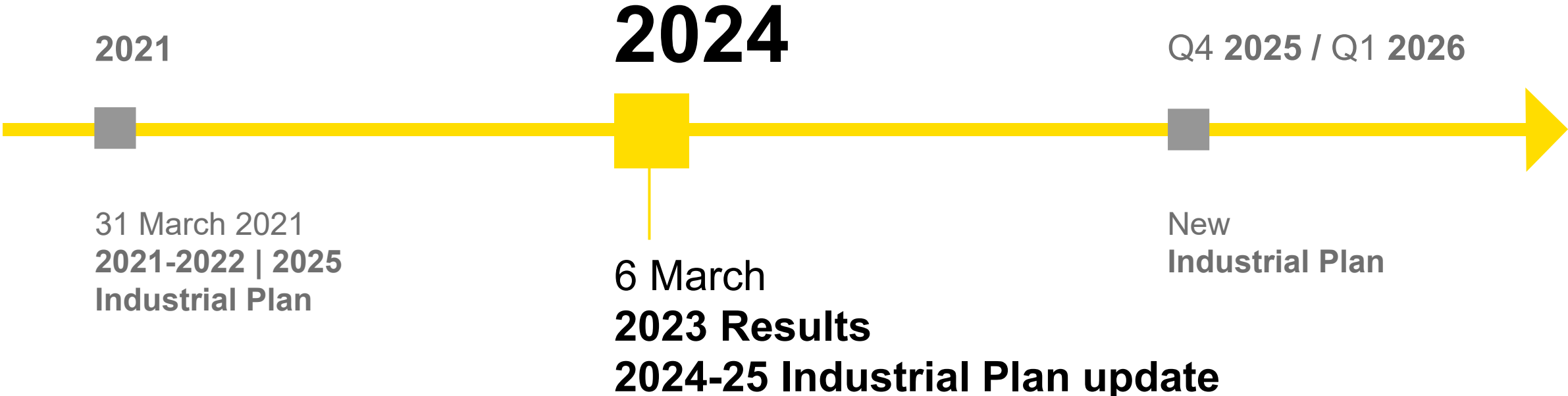
TIME	SESSION	SPEAKER
14:00 - 14:10	Strategic guidelines	M. Tronchetti Provera - <i>Executive Vice Chairman</i>
14:10 - 14:40	Industrial Plan update	A. Casaluci - <i>Chief Executive Officer</i>
14:40 - 15:00	Innovation	P. Misani - <i>Chief Technology Officer</i>
15:00 - 15:20	FY 2023 Results & 2024-25 Targets	F. Bocchio - <i>Chief Financial Officer</i>
15:20 - 15:25	Closing remarks	M. Tronchetti Provera - <i>Executive Vice Chairman</i>
15:30 - 16:00	Q&A	

2023 RESULTS  2024-25 INDUSTRIAL PLAN UPDATE

Strategic guidelines

M. Tronchetti Provera
Executive Vice Chairman

Agenda for today



Strategy proved to be effective in a challenging and unforeseen context ...



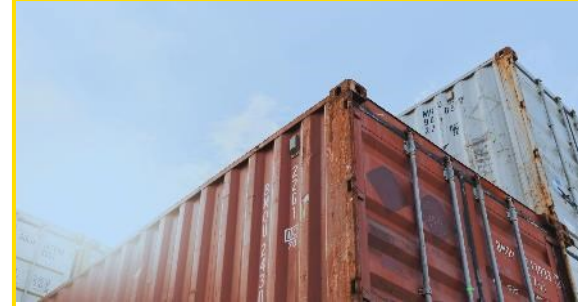
GDP growth affected by interest hikes

INCREASING FOCUS ON HIGH VALUE AND SPECIALTIES



High Inflation

BOOSTING PRICE/MIX & EFFICIENCIES



Increasing geopolitical & supply chain risk

DEPLOYING MITIGATION PLAN AND IMPROVING LOCAL-FOR-LOCAL



Increasing Environment regulations

ACCELERATING DECARBONIZATION

ENHANCING DIGITIZATION & CONNECTIVITY

... and we delivered a strong performance in 2021-23



We strengthened our exposure to HV

75%

HV weight on 2023 Revenues

+5 p.p. vs 2020

Two years in advance vs Industrial Plan 2021 target



We maintained best-in-class profitability among Tier 1 players

15%

Adjusted EBIT margin

+3.5 p.p. growth vs 2020

+5.6 p.p. above FY'23 Tier 1 profitability average¹



We accelerated deleveraging

1.56x

Net debt on Adjusted EBITDA

vs 3.65x in 2020



We expedited decarbonization

-51%

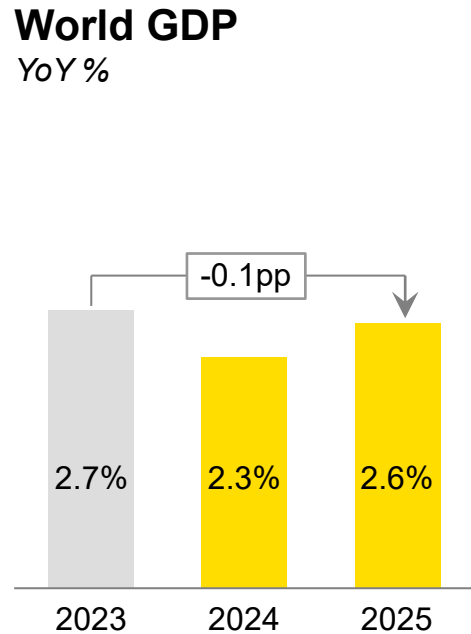
CO₂ emissions scope 1+2 vs 2015

Outperforming previous SBTi targets²

Thanks to the strong commitment of our people

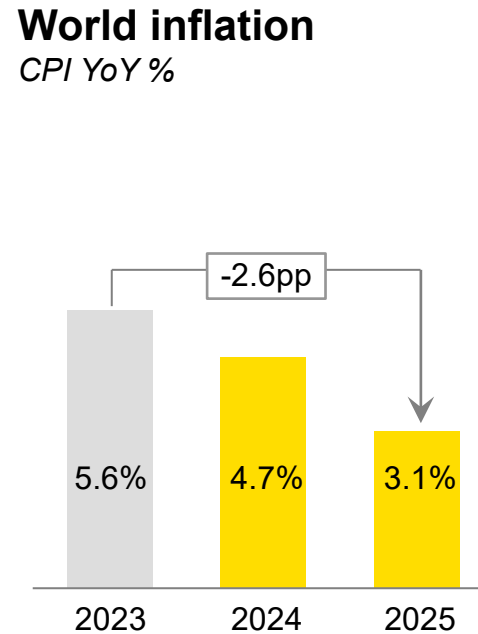
Macro scenario: still volatile in 2024, expected to gradually improve in 2025

Actual
Revised assumptions



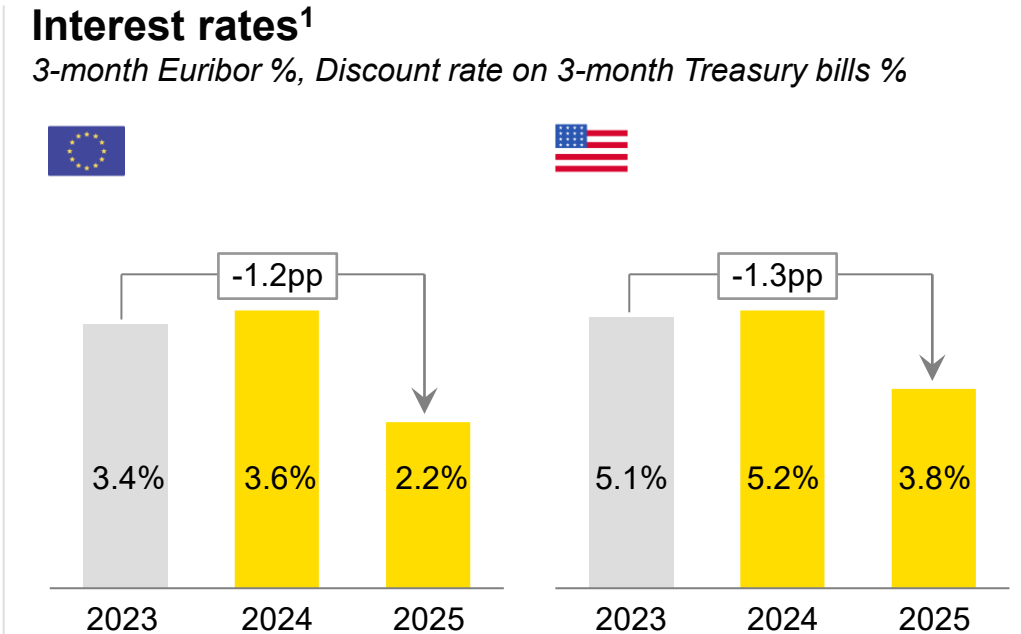
2021 Industrial Plan assumptions
3.2% 3.1% 3.1%

Moderate GDP growth



2.5% 2.5% 2.6%

Inflation progressively decreasing



-0.5% -0.5% -0.5% 0.1% 0.1% 0.1%

Interest rates slowly declining, still higher vs last decade

Economic environment still **behind 2021 Industrial Plan assumptions**

Looking forward, key industry trends are confirmed

Resilient HV demand

5+%

CAGR of High Value segment in 2023-2030 vs a flat trend for the Standard

Sustainability

80%

of consumers consider sustainability in automotive purchases¹

96%

of Premium & Prestige OEMs set Net Zero targets by 2050

Electrification

40%

of Premium & Prestige car production is expected to be EV² in 2025

80%

of Premium & Prestige car production is expected to be EV² in 2030

Innovation & connectivity

32%

of global car parc is expected to be connected by 2025³

60%

of global car parc is expected to be connected by 2030³

vs Industrial Plan 2021

Confirmed

Accelerated

Accelerated

Confirmed



Pirelli long-term strategy

Confirm and strengthen distinct position as the **leading High Value Consumer Tyre Player**



Outpacing High Value growth rate



Leading in profitability among Tier 1 tyre players

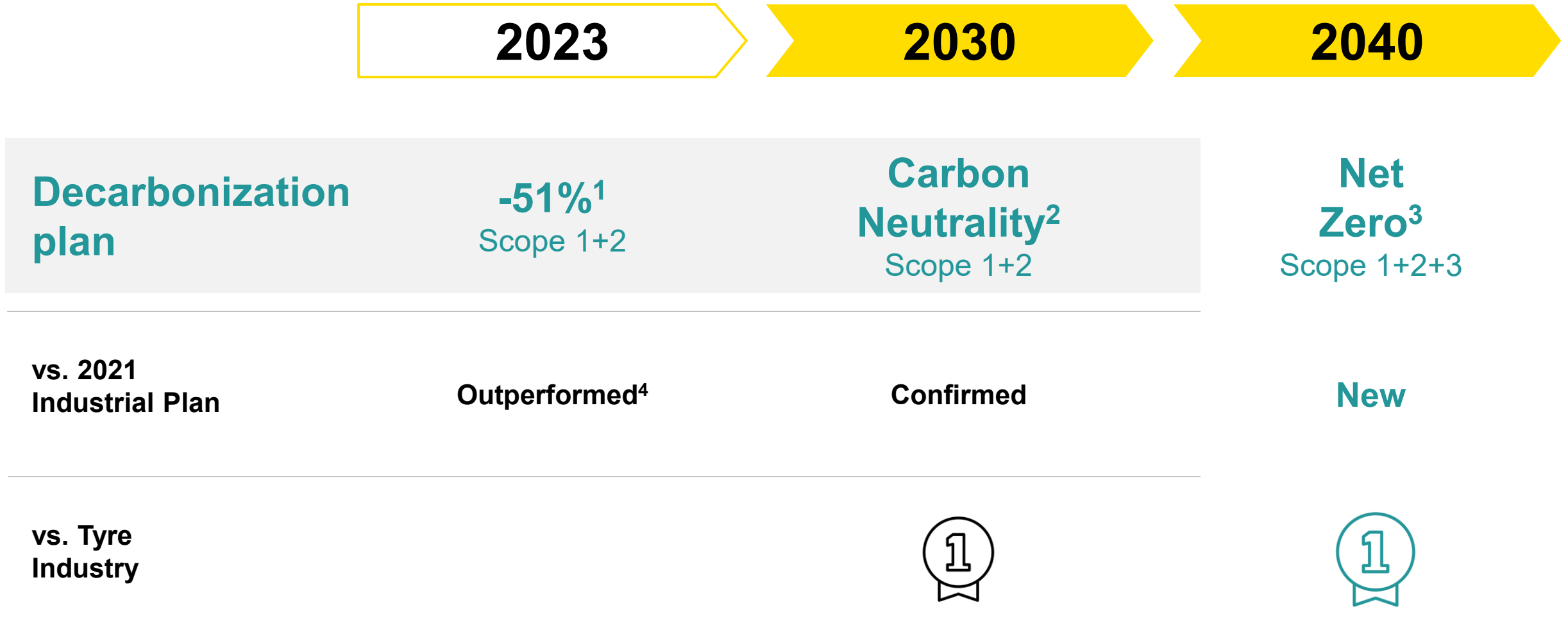


Seizing tyre connectivity opportunities



Setting the decarbonization benchmark in the tyre industry

Leading the tyre industry sustainable transition





2023 RESULTS  2024-25 INDUSTRIAL PLAN UPDATE

Industrial Plan update

A. Casaluci
Chief Executive Officer

2023 results above targets, confirming a solid execution of our strategy

Financial performance

6,650MIn € Revenues

(November Target: ~6.6BIn €)

+6.8% organic growth with top industry Price/Mix

1,002MIn € Adjusted EBIT

(Implicit in November Target: ~985MIn €)

15.1% EBIT margin with internal levers offsetting external headwinds

496MIn € Net Income

+14% YoY thanks to operating performance & tax benefits

509MIn € Net Cash Flow before dividends

(November Target: ~450 ÷ 470MIn €)

Supported by efficient Inventory management

Sustainability performance

1.7 Accident Frequency Index¹

-15% YoY driven by a continuous focus on health & safety

-51% Scope 1+2 emissions² -18% Scope 3 emissions²

Outperforming 2025 Targets (-42% for Scope 1+2, -9% for Scope 3)

>55% Bio-based and Recycled Materials on best new product³

Well above 2025 Targets (>43%)

Top rating ESG indices



Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



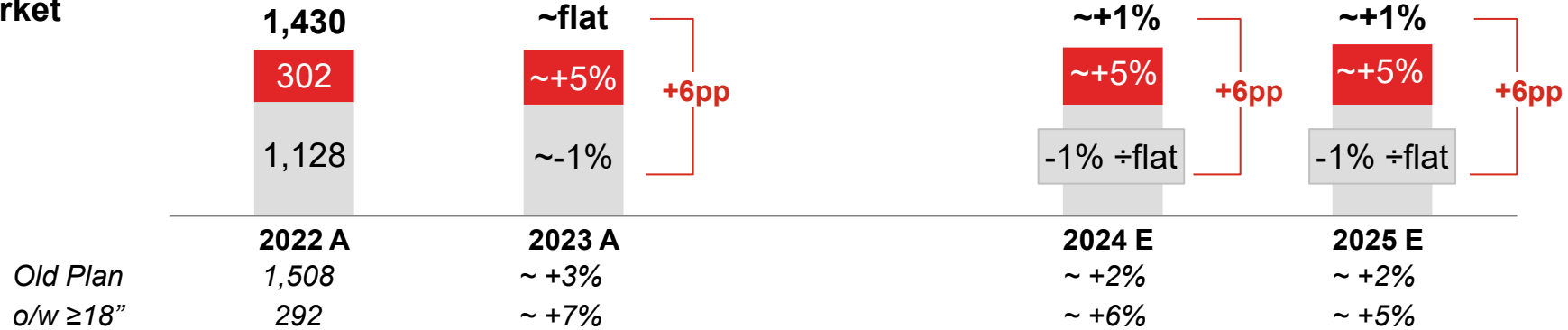
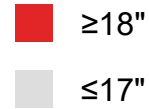
SUSTAINALYTICS
Top score tyre industry
(lowest risk)⁴

Tyre demand: recovering in 2024-25, supported by solid High Value growth

High Value market trend in line with 2021 Industrial Plan assumptions, while Standard weakness weighs on Total Market

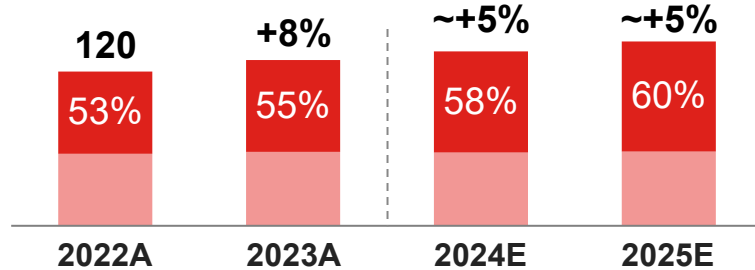
Global car tyre market

Mln tyres



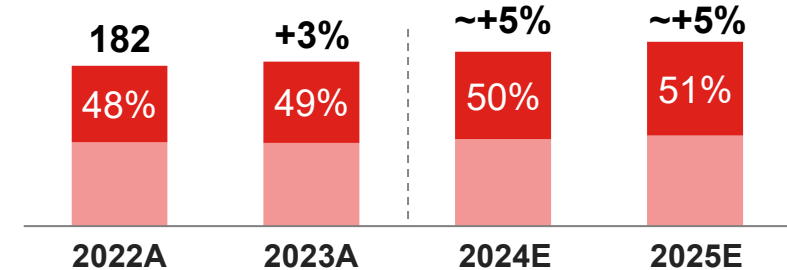
≥18" O.E.

Mln tyres



≥18" Repl.

Mln tyres



EV¹ O.E.

Mln tyres



EV¹ Repl.

Mln tyres



In 2024-25, strengthening High Value leadership through our key programs

COMMERCIAL PROGRAM



Accelerating on EV & Specialties



Seizing regional High Value growth opportunities

OPERATIONS PROGRAM



Strengthening value chain resilience



Increasing efficiencies

INNOVATION PROGRAM



Leading Sustainability transition



Expanding Cyber Tyre opportunities

People are the foundations of past and future results



New Organization

Enabling streamlined decision-making and promoting functional excellence



Experienced Leadership Team

Blending in-house expertise and external talents to deliver on strategic goals



Passion and Sense of Belonging

Enhancing engagement and igniting a performance culture among our People

>17 years Average tenure of the Management Team

83% Sustainable engagement Index




Industrial Plan update

1	Commercial
2	Operations
3	2024-25 Targets

Outperforming ≥18” Replacement market & investing in fastest growing ≥18” OE lines

Lowering exposure to ≤17”, mainly concentrated in Standard Regions

Commercial strategy	 Performance 2023A-25E	Market CAGR 2023A-25E
<p>≥18” Replacement OE Driven Demand fueled by past homologations (increasing incidence of ≥19”, EV & Specialties)</p> <p>≥18” Replacement Consumer Driven Push-through volumes increase driven by accelerated product range upgrade</p>	<p>></p> <p>Outperforming market growth</p>	<p>~+5%</p>
<p>≥18” OE OE selectivity as a guiding principle, focusing on EV and ≥19”</p>	<p>≤</p> <p>Improving mix</p>	<p>~+5%</p>
<p>≤17” Concentrated in Standard Regions</p>	<p><</p> <p>Reducing exposure</p>	<p>-1% ÷ 0%</p>

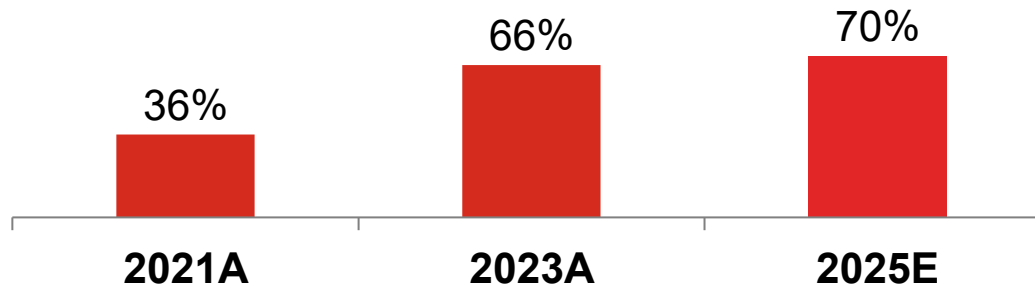
HV Replacement growth | Secured by superior portfolio of homologations

Focus on Specialties and EV products

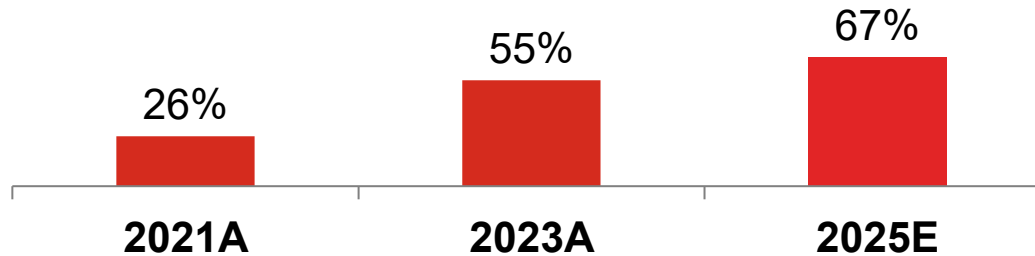
~300 ≥18" homologations per year

o/w 90+% ≥19"

% Specialties
of homologations ≥18"



% EV
of homologations ≥18"



Widest ≥18" homologation portfolio among peers...

1.5x vs best competitor



... driving **High Value Replacement sales**

>80% Loyalty rate¹

Specialties



Safety



RUNFLAT



SEAL INSIDE



»RUNFORWARD™



Eco



NOISE CANCELLING SYSTEM



PIRELLI ELECT



Leisure



RACING TYRES



COLLECTION TYRES



Connectivity



CYBER TYRE

HV Replacement growth | Driven by accelerated product range upgrade

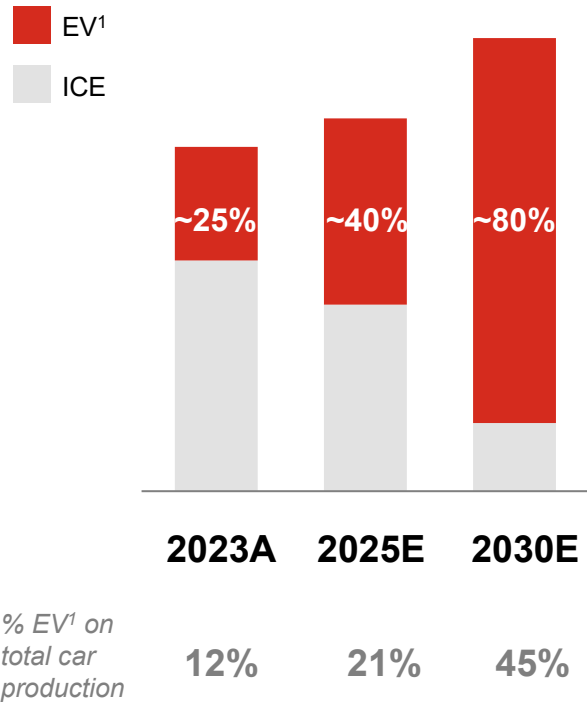
	2021-2023	2024-2025
	<p>7 new product lines per year Driving 2024-2025 sales</p> <p><i>Product examples</i></p>	<p>10 new product lines per year Enabling future growth</p>
<p>Global product lines with best-in-class tech content</p>	 <p>P ZERO™ E Awarded Tyre of the year in 2023¹</p>	<p>5 new global lines</p> <ul style="list-style-type: none"> ▪ Sustainable materials ▪ ELECT technology ▪ Extended mobility
<p>Regional product lines to meet local customers needs</p>	 <p>SCORPION™ 1st for SUV homologations in 2023</p>	<p>10 new regional lines</p> <ul style="list-style-type: none"> ▪ All Season and Winter tyres in EU ▪ All Season in APAC
<p>Product lines to enter new fast-growing segments with tailored technologies</p>	 <p>WEATHERACTIVE™ 1st in Tire Rack ranking in 2023</p>	<p>5 lines dedicated to new segments</p> <ul style="list-style-type: none"> ▪ Highly attractive All Terrain segment

Continuous upgrade of our iconic product families, focusing on **EV and sustainability-oriented solutions**

HV OE - Electrification | Stronger leadership on EV

Leveraging on solid partnerships with Premium & Prestige OEMs and a superior technology

Premium & Prestige car production



Pirelli's competitive advantage

Preferred partner for incumbents & pure EV players

100%
Coverage of EV Premium & Prestige OEMs

Selected examples



Unique EV homologation portfolio

Cumulated EV homologations

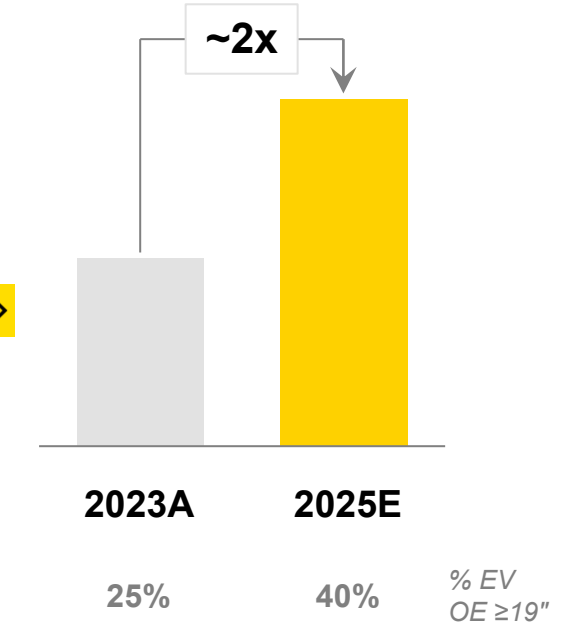


Superior dedicated technology



Pirelli expected growth in EV

EV OE+RE Volumes



High Value regional growth opportunities and geographical diversification

95% of total $\geq 18''$ market volumes concentrated in 3 regions

NORTH AMERICA

Strengthening position in the largest High Value market

- » **Ad-hoc product range**, covering the high-potential **All-Terrain segment**
- » **Wider homologation portfolio**, covering iconic North American models
- » Strengthened **distribution network**
- » **Strong brand recognition** through Formula 1[®] partnership

EUROPE

Confirming leading position in RE¹ and rebalancing exposure through OE selectivity

- » **6 new ad-hoc lines** in 2024-25, focusing on fast-growing market opportunities
- » Increased **selectivity in OE**, to improve profitability and pull-through in RE¹
- » **Optimized industrial productivity** and increasing **Local-for-Local** approach

APAC

Seizing new markets and Chinese Premium EV OEMs opportunities

- » **Growth in South-East Asian and Pacific markets**
- » Seizing **opportunities** with **Chinese EV carmakers**
- » **Widening distribution** by accelerating the digitization of commercial operations

Pirelli, the brand that matters: iconic competitive edge

Our Brand, a key purchasing criterion



7 out of 10

High-value consumers are brand driven when purchasing tyres¹

Pirelli, the leading tyre HV brand



1st

in prestige/sporty and high-tech brand perception¹

High rating

in brand awareness/consideration¹

1st

in customer satisfaction for OE tyres in 2023²

Iconic brand with 150+ years of heritage and a strong focus on sustainability and inclusiveness, constantly evolving to stay deeply connected to customers

Industrial Plan update

1	Commercial
2	Operations
3	2024-25 Targets

Three priorities to improve operations efficiency and resilience



Resilient Value Chain

from end to end, secured by our Local-for-Local approach

~90%

of finished products demand met by local production in 2025



Efficiency Program

mostly driven by digitization and automation

~370Mln €

of efficiencies in 2023-25
(Wave 3 of competitiveness program)



Sustainability in Operations

with an ambitious and comprehensive decarbonization program

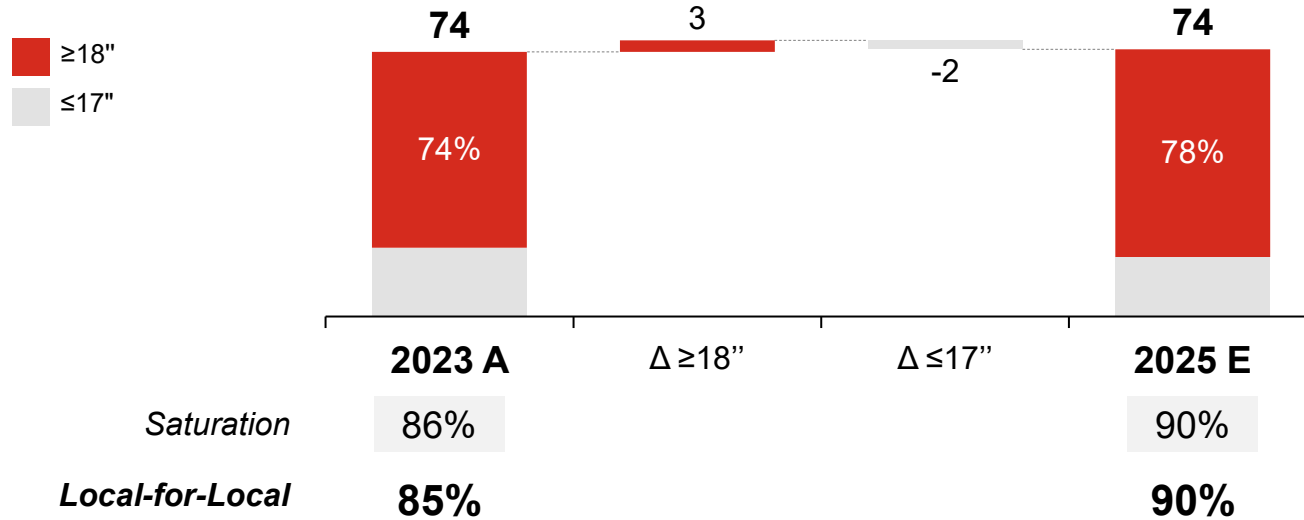
-80%

Scope 1+2 absolute CO₂ emissions in 2030 vs 2018

Resilient value chain | Boosting Local-for-Local and risk mitigation approach

Well structured production capacity, more Local-for-Local

Mln tyres/ year



Key highlights

- **High saturation** of production capacity ensuring **efficiency**
- **Local-for-Local** footprint **de-risking operations**
- **Part of ≥18" capacity** (~20%) is allocated to ≤17"¹ and **available to sustain ≥18" growth**


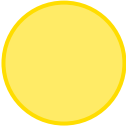

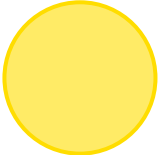

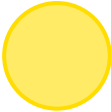


Proactive supply chain risk control

- » **End-to-end value chain de-risking**
Monitoring and assessment of risks beyond Tier-1
- » **Increased Local-for-Local sourcing**
Additional 10pp in 2023-2025
(+10pp in 2021-2023)
- » **AI-powered Supply Chain risk monitoring**
Real-time visibility of shipments & predictive risk management
- » **Solid track record in crisis management**
Expertise accrued during pandemic and geopolitical crises

Efficiency Program | Accelerating cost competitiveness

Leveraging on digital transformation programs launched in the past years

Competitiveness | 2023-25¹

	2023	2024	2025
Total Gross Impact	92MIn €	~140MIn €	~135MIn €
	Impact	Focusing on:	
 Product Cost		<ul style="list-style-type: none"> >> Modularity >> Design speed and virtualization 	
 Manufacturing		<ul style="list-style-type: none"> >> Energy consumption & electrification >> Automation, industrial IoT & flexible factory >> Waste reduction 	
 SG&A		<ul style="list-style-type: none"> >> Logistics & Go-to-Market >> G&A belt tightening >> Procurement rationalization 	
 Organization		<ul style="list-style-type: none"> >> Process digitalization >> Organization transformation 	

~370MIn €

cumulative 2023-25
Gross Impact

7%

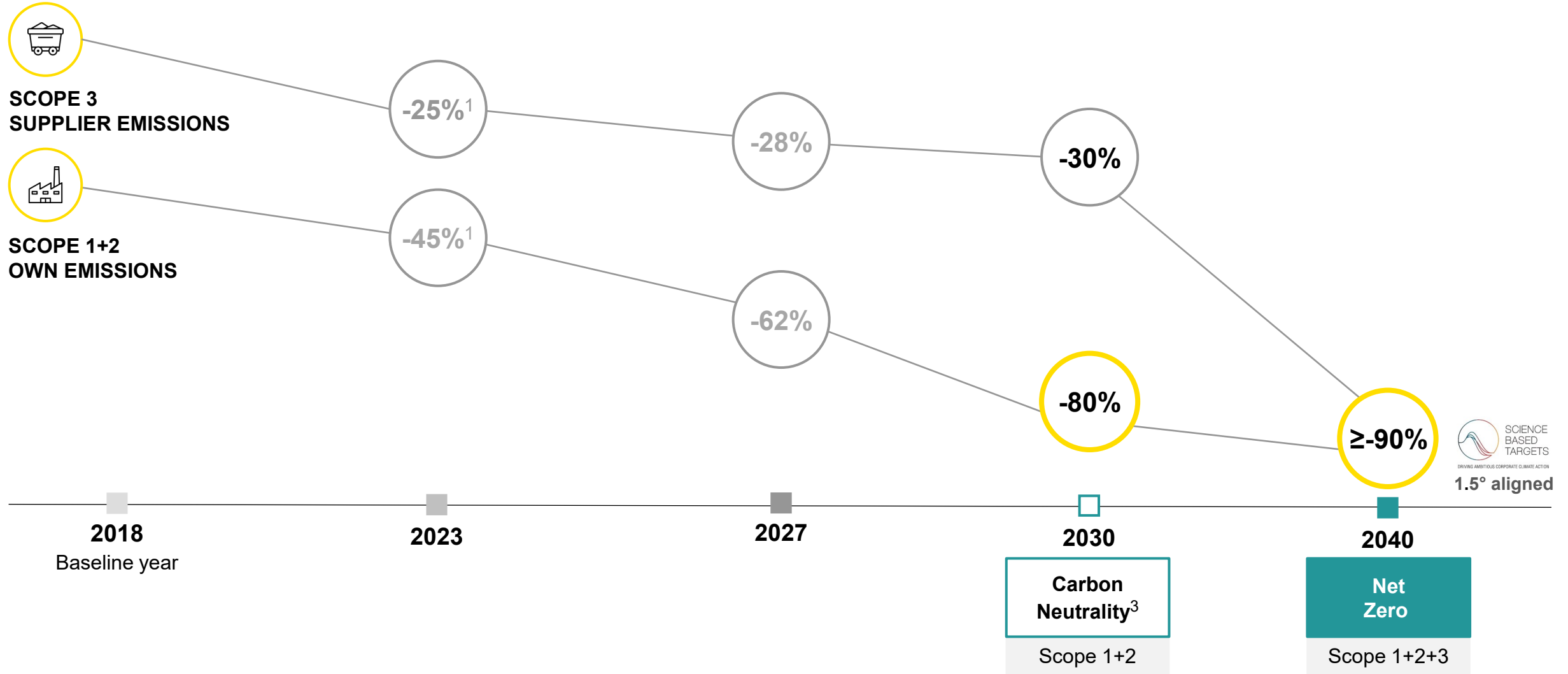
of total 2022 cost baseline

+70MIn €

vs 2021 Industrial Plan forecast

Sustainability in Operations | Commitment to reach Net Zero by 2040

New Targets submitted to SBTI¹, after having reached previous ones 2 years in advance²



Sustainability in Operations | Tight roadmap of initiatives to reach this goal



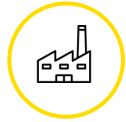
SCOPE 3 SUPPLIER EMISSIONS

SUPPLIER DECARBONIZATION PROGRAM

>90% Scope 3 upstream emissions with available primary data and 100% requested to set **SBTi targets by 2025**

> 40% Bio-based and Recycled materials by 2030⁴

> 80% Bio-based and Recycled materials by 2040⁴



SCOPE 1+2 OWN EMISSIONS

RENEWABLE ELECTRICITY

100% Renewable Electricity by 2025, relying on proven market tools and additionalities

ENERGY EFFICIENCY

90+ Energy efficiency projects with 50Mln € Capex 2022-25

ELECT FACTORY

75%¹ of curing presses electrified by 2030 with 22Mln €/year Capex 2024-30 and +80% energy efficiency

OFFSET²

REMOVAL²



1.5° aligned

2018
Baseline year

2023

2025

2030

Carbon
Neutrality³

Scope 1+2

2040

Net
Zero

Scope 1+2+3

Industrial Plan update


1	Commercial
2	Operations
3	2024-25 Targets

2024-2025 targets

Financial targets	2023 A	2024 E	2025 E
Billion €			
Revenues	6.65	6.6 ÷ 6.8	6.8 ÷ 7.0
Adj. EBIT margin <i>% revenue</i>	~15.1%	>15% ÷ 15.5%	~16%
Net Cash Flow <i>bef. Dividends</i>	0.51	0.50 ÷ 0.52	0.55 ÷ 0.57
Net Financial Position <i>NFP / adj. EBITDA</i>	2.26 1.56x	~1.95 1.32x ÷ 1.26x	~1.6 ~1.0x

2025 Dividend Policy: 50% payout ratio (vs 40% in 2021 Industrial Plan)

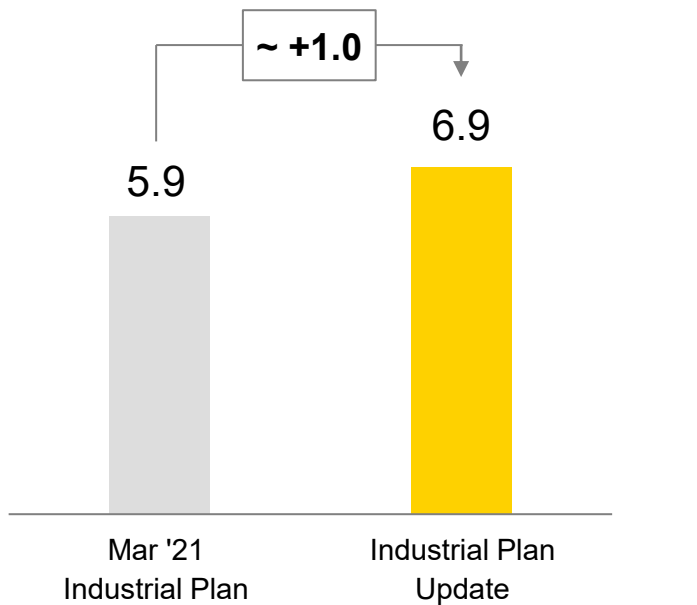
Sustainability targets

People Safety¹ <i>Accident frequency index</i>	1.7		~1
Scope 1+2 emissions² <i>vs 2018</i>	-45%		-60%
Scope 3 emissions² <i>vs 2018</i>	-25%		-27%
Bio-based and Recycled Materials <i>on best product</i>	55%		>70%

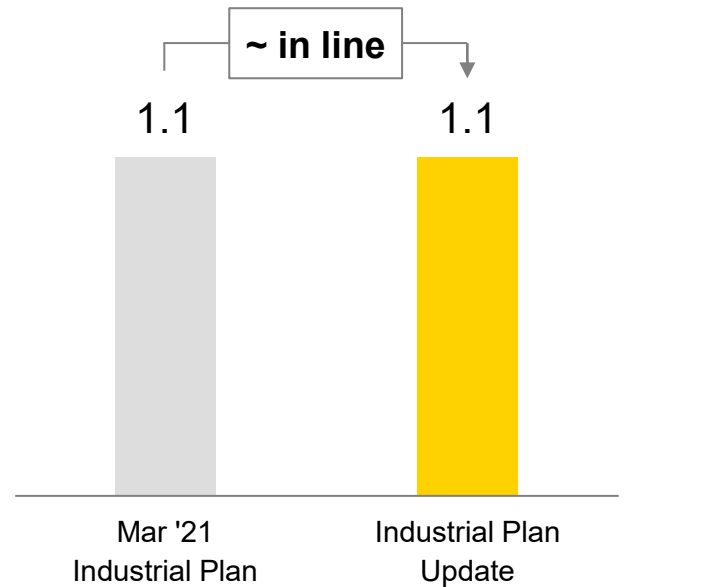
2025 targets vs 2021 Industrial Plan

Revenues FY 2025

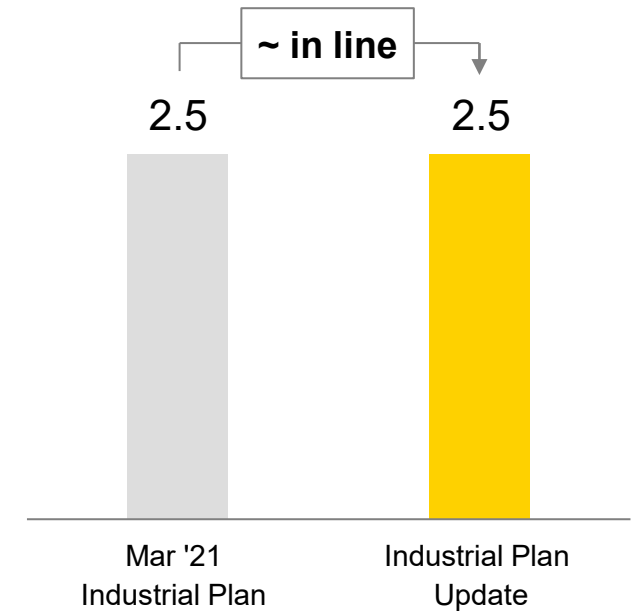
Billion €



Adjusted EBIT FY 2025



NCF bef. Dividends Cumulative 2021-25



Keeping 2021 Industrial Plan promises in a challenging and unforeseen environment

In an evolving HV market, Pirelli is strengthening its leadership

We fully understand how the HV market is evolving...

... and we are ready to continue to lead

Connectivity

Leveraging tyres *sense of touch* for value added services



1st

sensorized tyre in mass production cars

Sustainability

Innovative materials and reduced wear rate to anticipate customer needs and requirements



1st

UHP sustainable tyre

Electric Vehicles

Increased tech requirements in terms of rolling resistance, torque and noise reduction to respond to EV-specific needs



1st

tyre with EV-specific technology

Homologation-driven High Value

Working with Premium & Prestige OEMs to create a *perfect fit* between car and tyre, through dedicated technologies, processes and materials



1st

homologation with marked items

Tomorrow

Today



2023 RESULTS  2024-25 INDUSTRIAL PLAN UPDATE

Innovation

P. Misani

Chief Technology Officer

Three key pillars to innovate and sustain leadership in High Value



Product innovation and leadership

EV, Eco-safety design
Sustainable materials



Technology & future factory

Innovation for future factory
IIoT, digital and automation



Connectivity solutions

OE & car connectivity
Services & end-user

EV Leadership | Pirelli secured its leadership in High Value EV market

Leveraging on ELECT™ technology, applied across product families



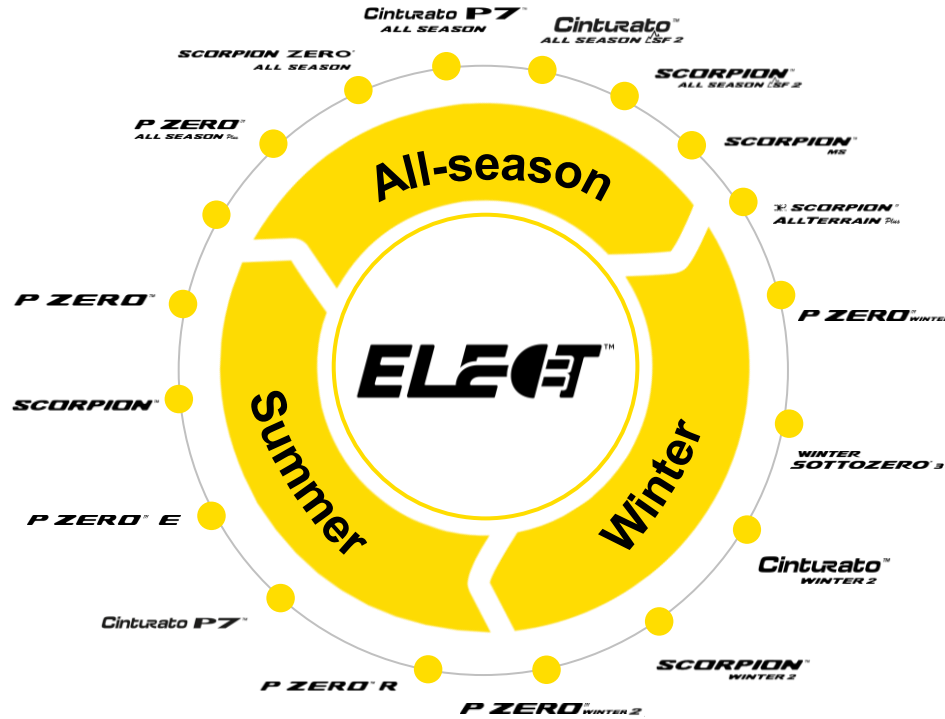
More battery range



Durable tyre



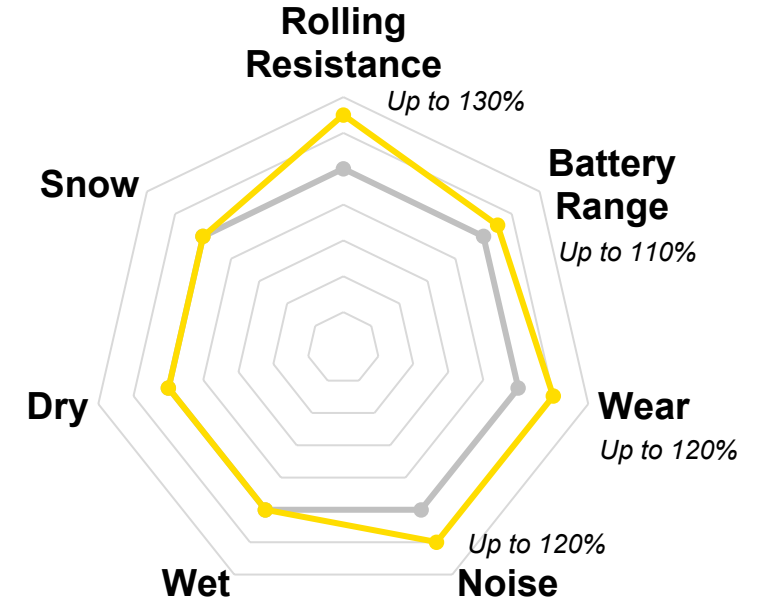
Acoustic comfort



Superior results in key EV features

without compromising performance

- ELECT™
- Non-ELECT™



Eco-Safety Design | Consolidating leadership

Eco

Safety

Mileage & Wear rate

Increased mileage vs. previous product generation and wear rate improved by 42%¹

Rolling Resistance

Reduction in energy consumption achieving 24%¹ CO₂ equivalent reduction

Acoustic Comfort

Reduced external noise thanks to dedicated technology (Pirelli Noise Cancelling System™) **PNCS™**

Innovative Materials
> 55%¹ Bio-based and Recycled materials



Certified by
3rd party



Wet Aquaplaning

Improved wet enhancing tread compound and wet performance

Performance at worn

Optimal braking maintained during product life span

Extended Mobility

New Run-Forward technology supporting an innovative tyre structure
»RUNFORWARD™

P ZERO™ E

P Zero™ E as flagship product, overperforming all eco-safety dimensions...



Triple A class on Rolling resistance, wet braking, external noise



CO₂ equivalent emissions improved by 24% and wear rate improved by 42%



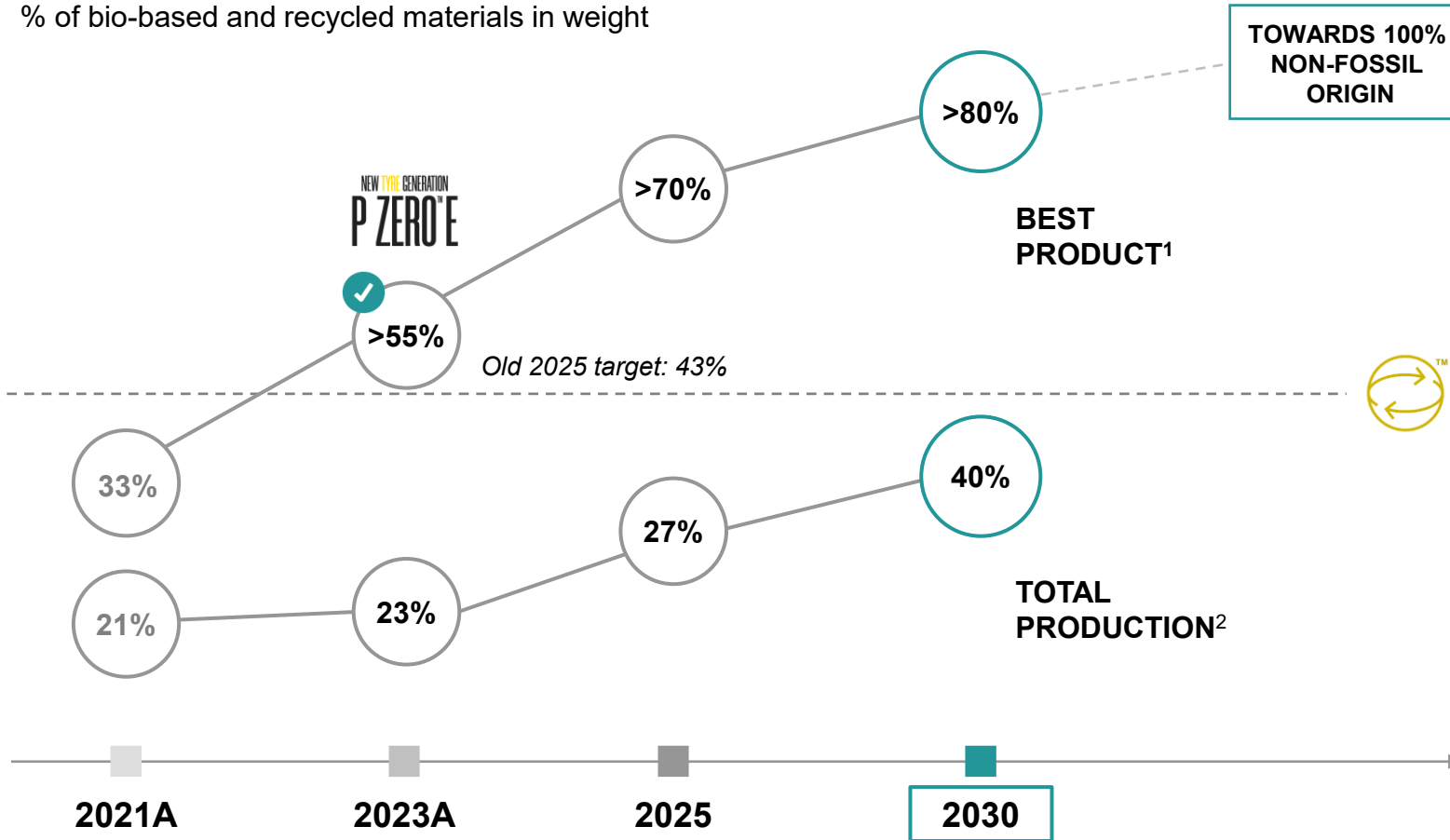
> 55% Bio-based and recycled materials

...and more to come

Materials | Towards 100% of non-fossil origin, third-party certified

Targets

% of bio-based and recycled materials in weight



✓ Old Target @2025 reached in 2023



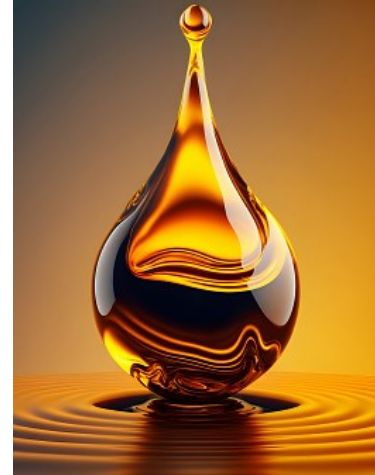
We push innovation to increase bio-based and recycled materials while decreasing fossil ones



Transparency for consumers: New Pirelli logo identifying tyres with ≥ 50% of bio-based and recycled materials

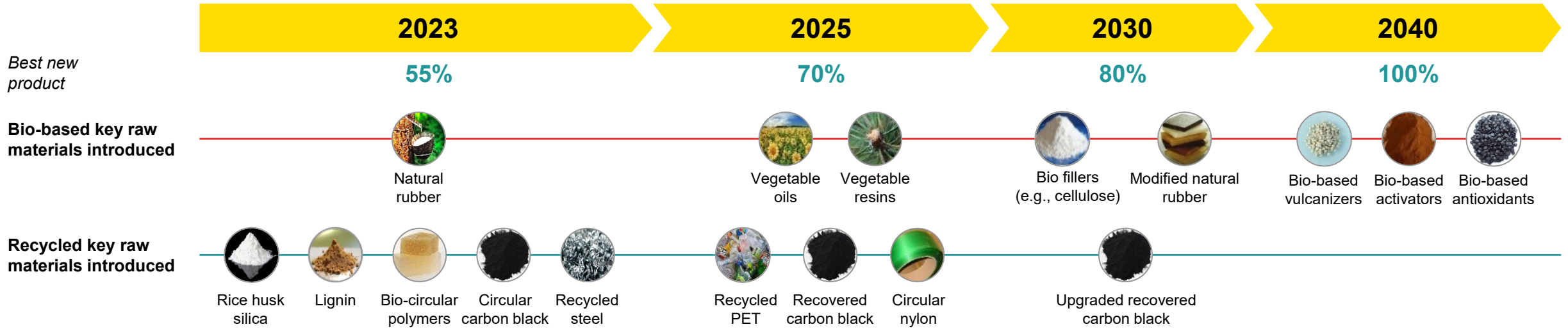


Sustainable content certified by third party



Materials Roadmap

Innovation coming both from bio-based and recycled raw materials



Recycled raw materials coming from different industries



End of life Tyres
Pyrolysis



PET
Recovery process



Rice Husk
Burning, ash recovery



Used cooking oils
Recovery process



Pulp & Paper waste
Bio-refinery

Achieving targets and promoting circularity

Pirelli is extending its ecosystem to develop sustainable material solutions

Innovation on new materials for sustainability



Joint Development Agreements

JDA's with Suppliers

Polymers, fillers and chemicals from sustainable sources to **lower environmental impact** with overall enhanced performance

Polymers
Fillers
Chemicals



New applications of bio-based materials



Acquisition

Hevea-Tec Acquisition



Development of New Technologies to **replace synthetic with natural polymers** (bio-degradable rubber)

Polymers (NR)
Fillers



New circular materials from recovery of end-of-life tyres

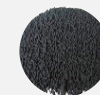


Joint Ventures

Dedicated partnerships

Agreement with selected partners to develop **enhanced pyrolysis technology** to achieve **high performance carbon black** grades

Carbon Black



Factory of the Future | Transforming the manufacturing process

To increase efficiency, quality and flexibility

PME¹

Upskilling & reskilling

Digital & IIoT

Premium OEMs



High Tech large scale (>10M capacity)

Romania



Mexico



- » Automation of finishing, handling and material flow (AGV², AMR³, Gantry Robots, sorting, palletizing and traceability systems)
- » Quality product control through **automated vision technology**
- » **Curing** process **electrification**
- » Productivity enhancement through **new machinery and process upgrade**, mainly in **building and curing**

Prestige OEMs



High Tech small lot (Max flexibility for customers)

Germany



Italy



- » Automation of finishing, handling and material flow (AGV², AMR³, Gantry Robots, sorting, palletizing and traceability systems)
- » Quality product control through **automated vision technology**
- » **Curing** process **electrification**
- » Second generation of **continuous mixing** (patented)
- » **Flexible cutting** for ply and belt, coupled with **robotized process**

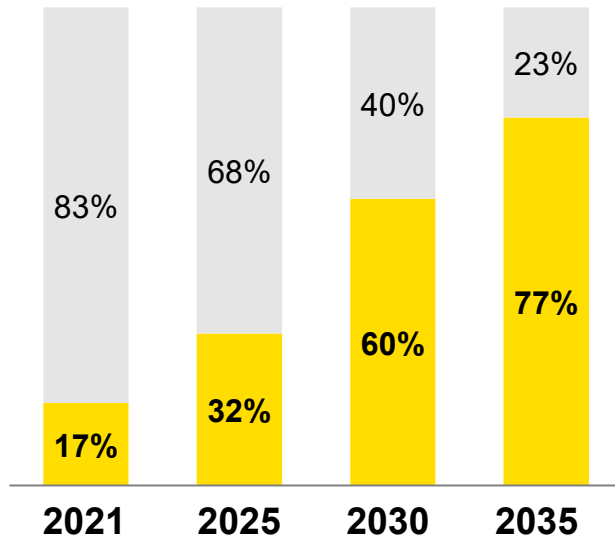
Connectivity | Mobility is rapidly becoming connected – tyres will play a central role

Connected vehicle parc will continue to grow, driven by increasingly tech-oriented consumer habits

Share of connected vehicles in Car Parc

% of vehicles

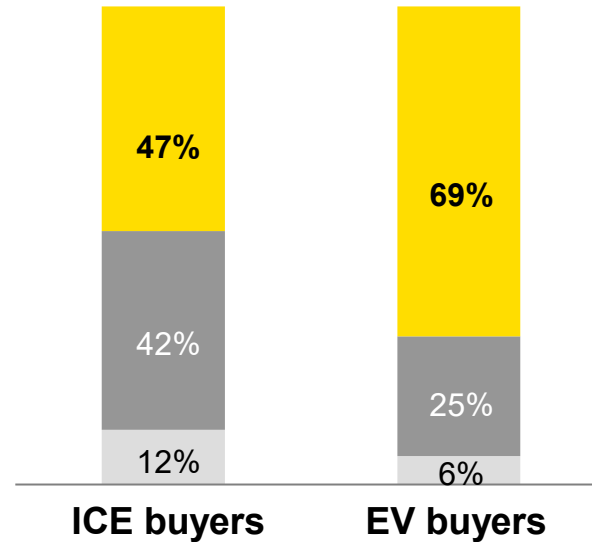
- Connected
- Non-connected



Consumers' future use of in-car connectivity solutions

% of respondents; 2023

- More than today
- Similar to today
- Less than today



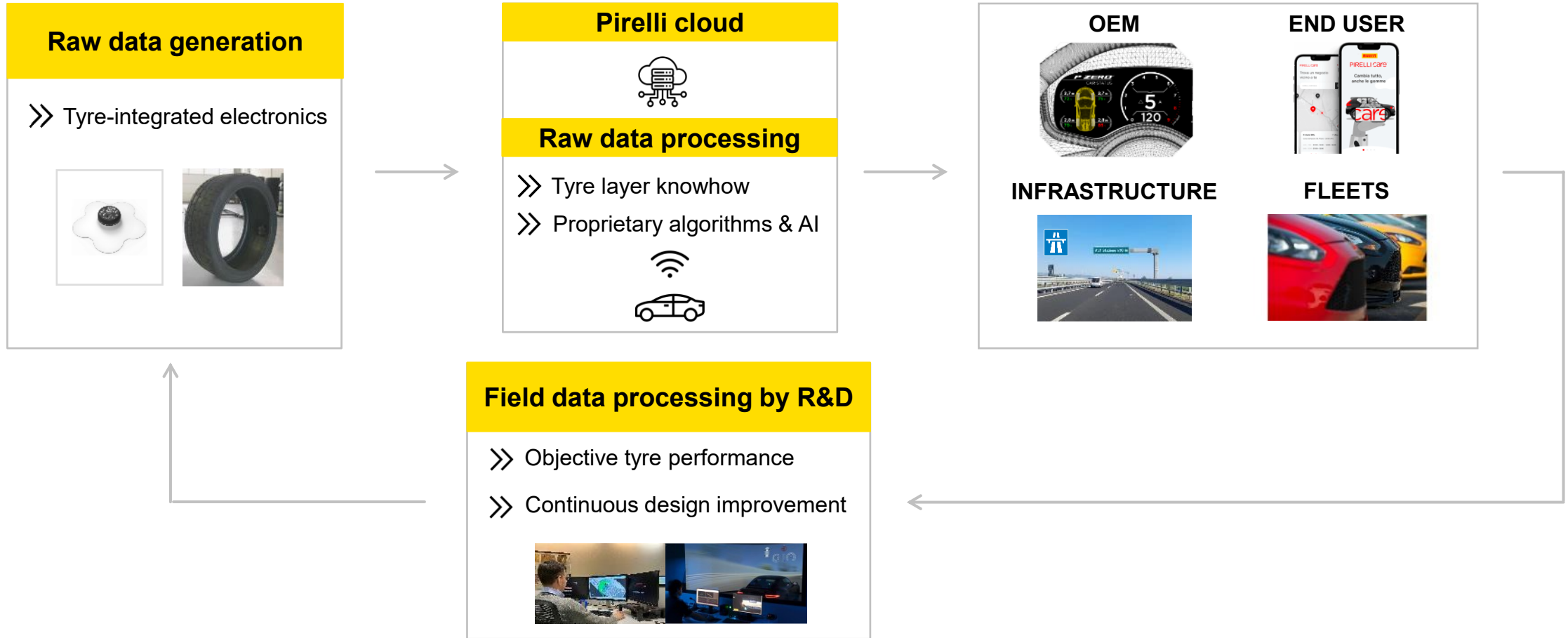
Tyres as the only point of contact between vehicle and road

Tyres are active elements in the connected car ecosystem, allowing:



Connectivity | Cyber™ Tyre is the leading technology in the industry

Data Flow for Customer Value and improved Tyre Development



Cyber™ Tyre unique features

Advanced Tyre Mounted Sensor (TMS)

Full in-vehicle integration

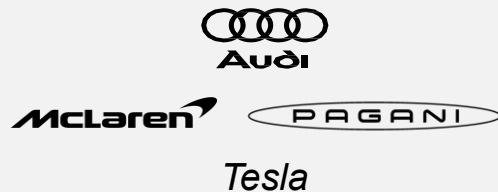
Sophisticated tyre data processing algorithm

Connectivity market | 2 "worlds" leveraging Cyber™ Tyre

OE & Car Connectivity

OEMs expansion

- » Provide **real-time data** on tyre condition to **enhance vehicle capabilities** and decision making
- » **Exploit tyre information** to improve vehicle's **performances** and **safety**



Control system integration

- » **Pre-integrate** Cyber™ Tyre **in vehicle control system**, shifting approach from 1:1 to 1:many
- » Enhance **R&D roadmap** and improve **technology time to market**



Services & End-User

Infrastructure monitoring

- » Collect and share data with infra stakeholders to **enhance road management** and **maintenance**
- » Exploit **ground information** to **enhance vehicles eco-safety** configuration



Servitization

- » Leverage **data** to offer **ad-hoc services** to different user profiles

End users

- » Predictive maintenance
- » Integration of product & services

Tyre dealers

- » Enhanced tyre service
- » Optimized warehousing

Fleets

- » Tyre fraud
- » Tyre management
- » Downtime reduction
- » Predictive maintenance



2023 RESULTS  2024-25 INDUSTRIAL PLAN UPDATE

Financials

F. Bocchio

Chief Financial Officer

Financials

1

FY 2023 Results

2

2024-25 Targets in detail

FY 2023 results highlights:

Performance above company targets (upgraded during the year)

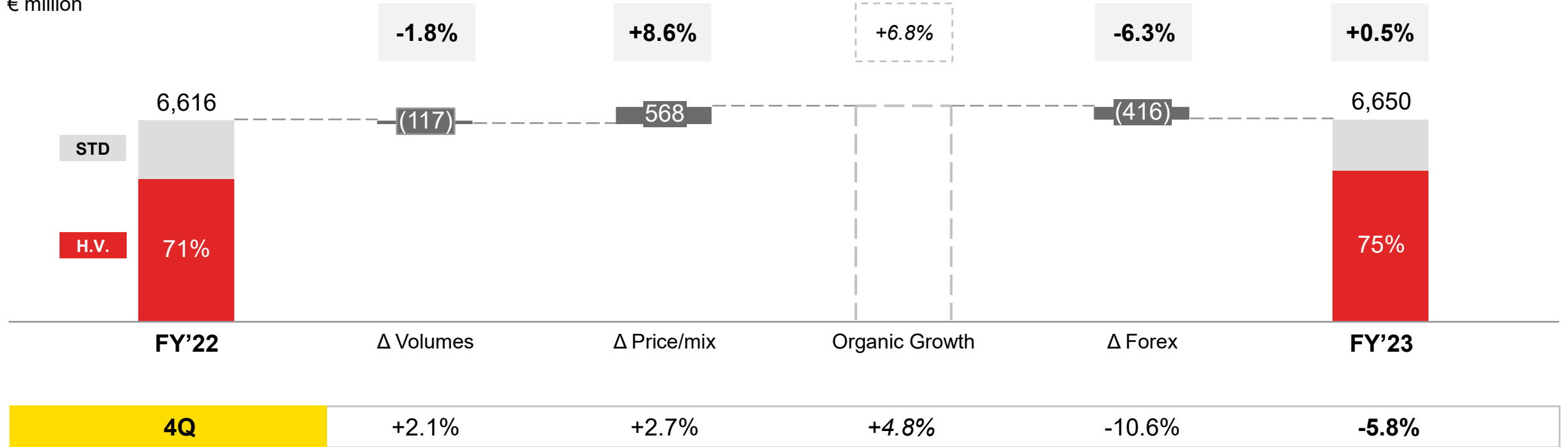
€ billion

	2022	2023 (Guidance Nov 9, 2023)	2023 A
Net Sales <i>Δ YoY</i>	6.62	~6.6	6.65 +0.5% +6.8% organic growth
adj. EBIT margin <i>Δ YoY</i>	14.8%	~15%	15.1% +0.3pp
CapEx <i>% of Sales</i>	0.40 6.0%	~0.40 ~6%	0.41 6.1%
Net Cash Flow <i>bef. Dividends</i>	0.52	0.45 ÷ ~0.47	0.51
Net Financial Position <i>NFP / adj. EBITDA</i>	2.55 1.8x	~2.33 1.60x ÷ 1.65x	2.26 1.56x
ROIC¹ post taxes	20.3%	~20%	20.3%

FY 2023 Sales bridge

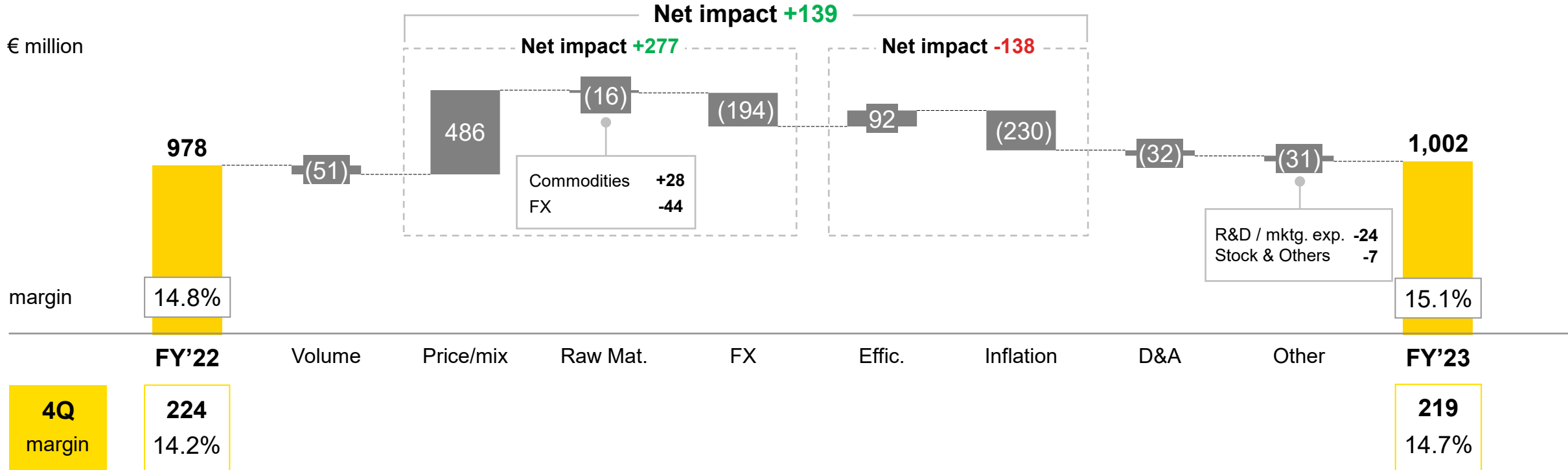
Strong price/mix mitigates impact of weak demand and high currency volatility

€ million



- >> **Volumes** growth of HV (+5% Car ≥18”) while continuing to reduce exposure to Standard (-8% Car ≤17”); total volume rebound in 4Q
- >> **Price/Mix** above targets and top of the industry performance, both in Full Year and 4Q
- >> **Forex** in line with Nov guidance. 4Q trend discounting the higher volatility of emerging market currencies and impact of hyperinflation accounting

FY 2023 adjusted EBIT bridge

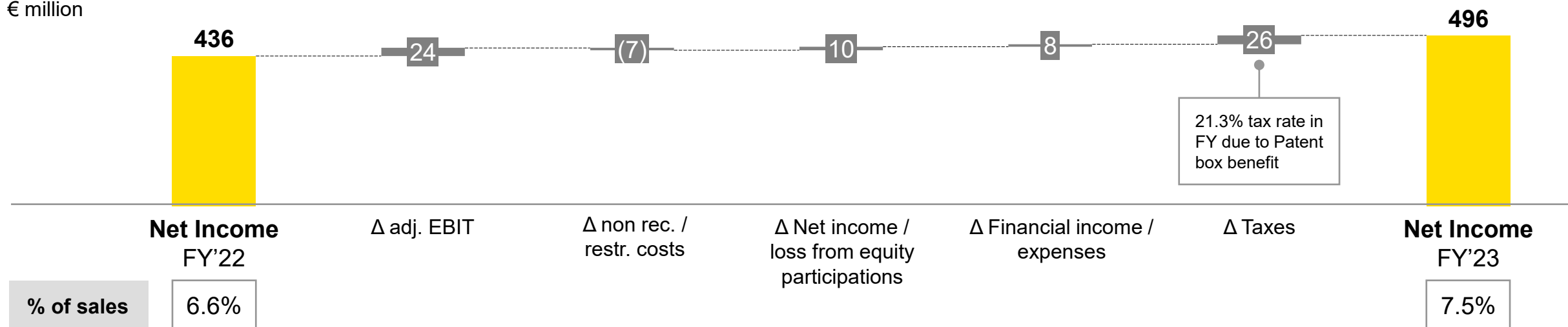


- >> **Profitability** supported by price/mix and efficiency covering ~1.3x Raw Mat, FX & Inflation headwinds
- >> **Forex:** including the revaluation of Mexican Peso; FX drop-through gradually normalizing in 2024-25
- >> **Inflation:** labour contract renegotiation, energy cost hedging and increase of regional transportation cost
- >> **4Q Adj. EBIT margin** improving YoY and in line with the seasonality of the business

FY 2023 Net Income Bridge

Earnings growth (~+14% YoY) supported by improving operating performance and tax benefits

€ million



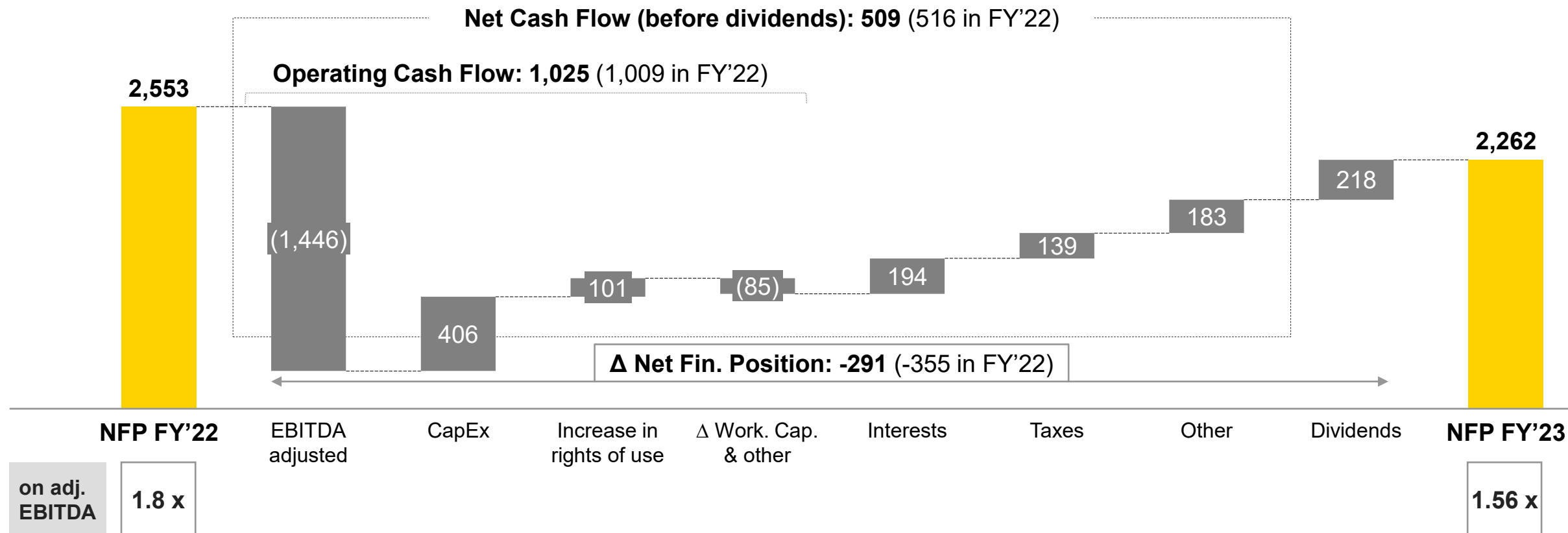
	FY 2022	FY 2023
Net income	436	496
Amortization from PPA	114	114
Non-recurring items and restructuring costs	73	80
Taxes	(52)	(94)
Net income adjusted	570	595

~ -40MIn € of patent box related to 2020-22

FY 2023 Net Financial Position

Solid Cash Flow driven by a strong operating performance and a positive working capital management (stock decrease YoY)

€ million



>> **Inventory at ~20.6%** of sales in FY'23, **-1.4pp vs. Dec'22** and back to Dec'21 level, benefitting from Raw Mat inventory reduction

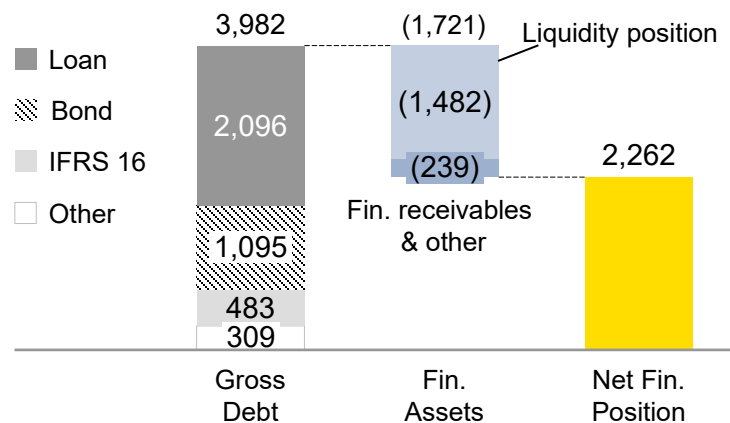
>> **Receivables at ~10%** (flat YoY) and **Payables at ~30%** (flat YoY), in line with the seasonality of the business

Total Gross Debt structure as of December 31st 2023

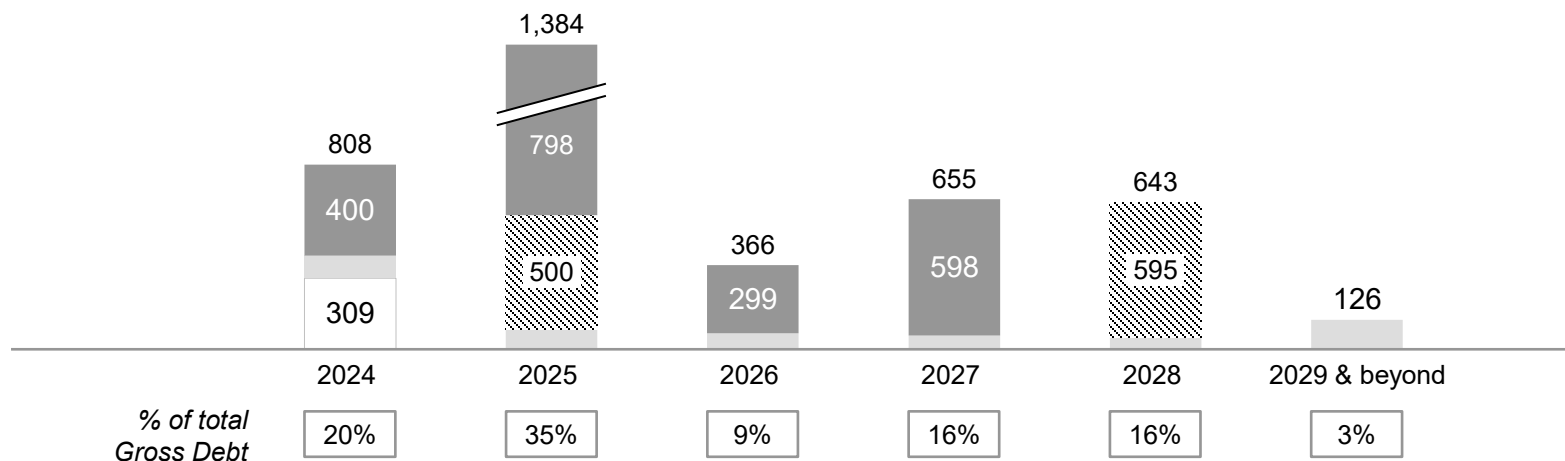
Liquidity Margin covering maturities up to 1Q'28 thanks to 500Mln € RCF¹ issued in Dec'23. ESG weight on gross debt ~68%

€ million

Net Financial Position



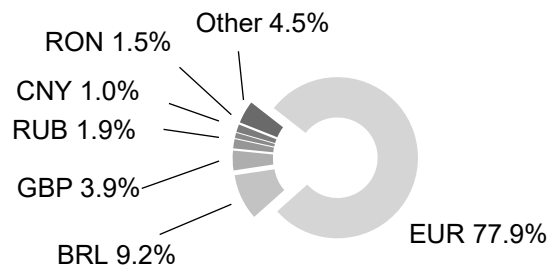
Gross Debt maturity



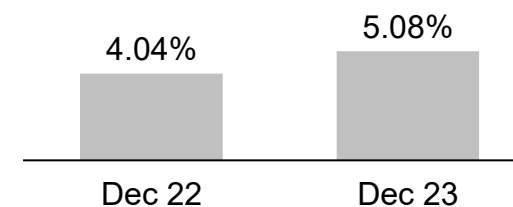
Liquidity profile

Liquidity position ²	1,482
Committed lines not drawn	1,500
Liquidity margin	2,982

Break-down by currency³



Cost of debt (last 12 months)



Financials

1

FY 2023 Results

2

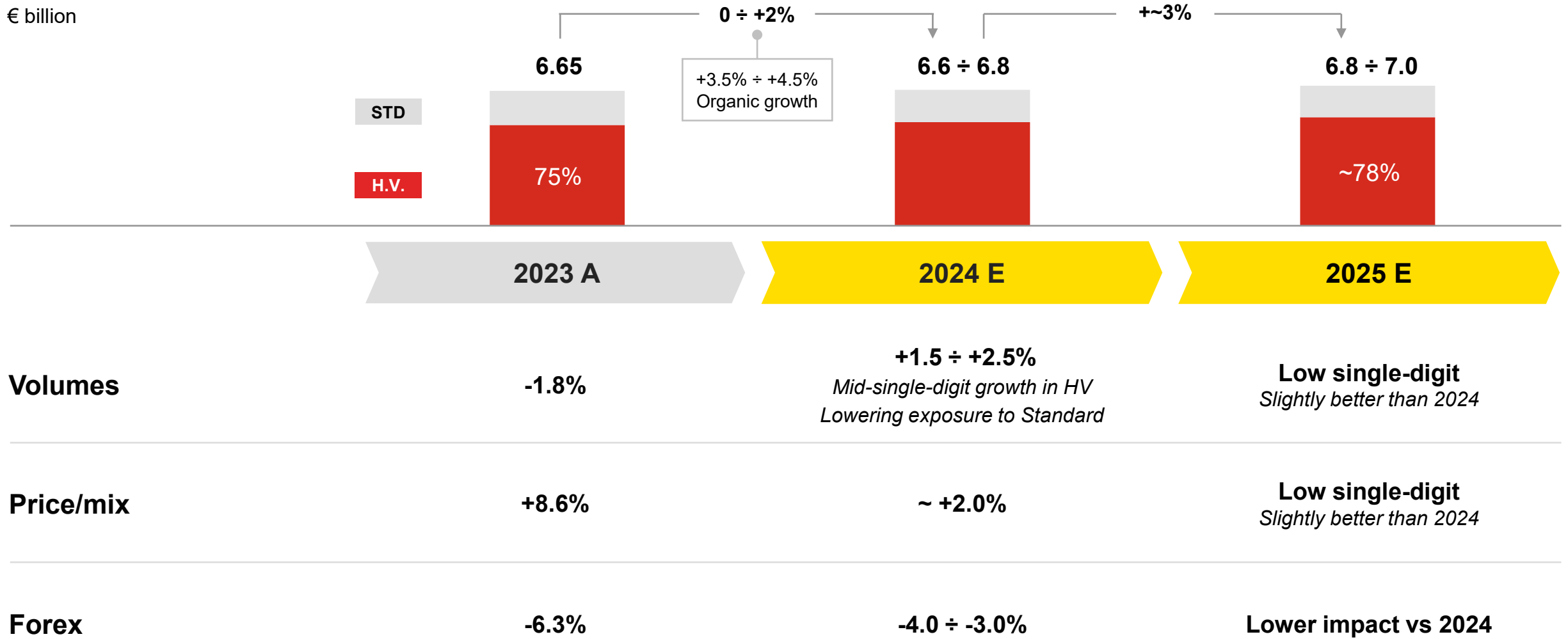
2024-25 Targets in detail

2024-25 Targets

	2023 A	2024 E	2025 E
€ billion			
Net Sales	6.65	6.6 ÷ 6.8	6.8 ÷ 7.0
Adj. EBIT margin	15.1%	>15% ÷ 15.5%	~16%
CapEx	0.41	~0.40	~0.42
<i>% of Sales</i>	<i>6.1%</i>	<i>~6%</i>	<i>~6%</i>
Net Cash Flow <i>bef. Dividends</i>	0.51	0.50 ÷ 0.52	0.55 ÷ 0.57
Net Financial Position	2.26	~1.95	~1.6
<i>NFP / adj. EBITDA</i>	<i>1.56x</i>	<i>1.32x ÷ 1.26x</i>	<i>~1.0x</i>
ROIC¹ after taxes	20.3%	~21%	~21%

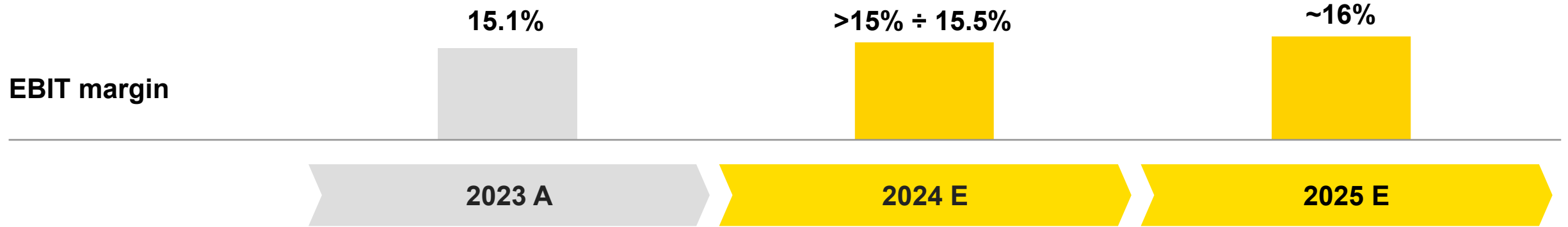
2024-25 Revenues trend

€ billion



2024-25 Profitability improvement driven by commercial performance

Price/Mix to offset FX and Raw Mat, Efficiencies to cover inflation

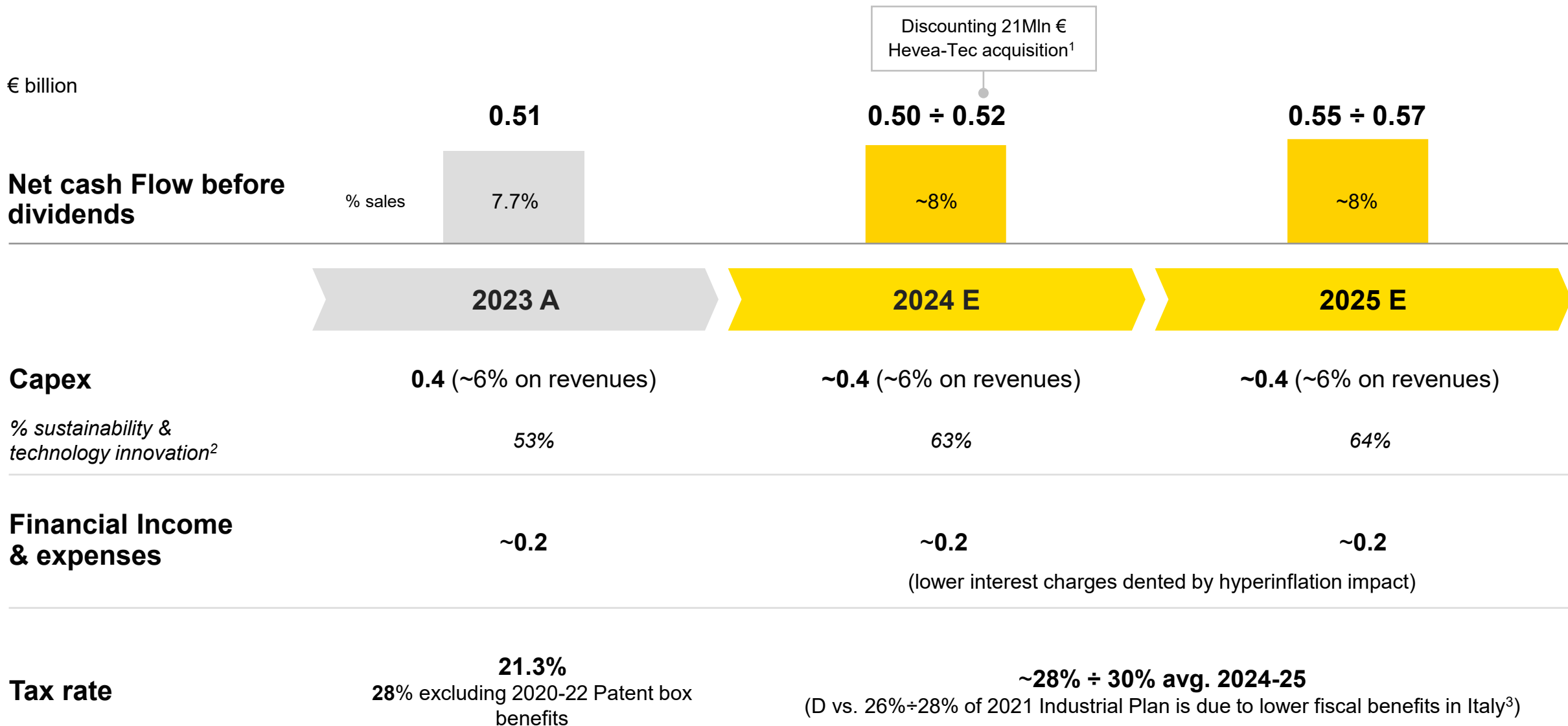


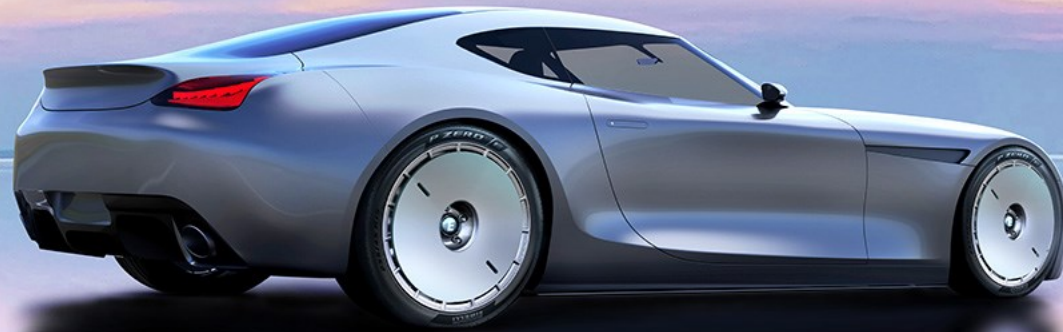
Assumptions on Raw Mat, Inflation and Efficiencies

	2023 A	2024 E	2025 E
Raw mat	-16MIn € including FX impact	Neutral Commodity tailwind offset by FX and raw mat transp. cost increase	Headwind Raw mat cost increase led by natural rubber and FX headwind
Efficiencies	92MIn €	140MIn €	135MIn €
Inflation	-230MIn €	Fully covered by efficiencies. Mainly related to labour and logistic costs	More than compensated for by efficiencies. Related to labour and logistics cost increase

Net Cash Flow generation

€ billion





2023 RESULTS  2024-25 INDUSTRIAL PLAN UPDATE

Sustainability Strategy & Targets Update

6th March, 2024

Content

1 Context and Sustainability macro-trends in our industry

ACTION PILLARS

2 **Climate:** fast forwarding our transition to Science Based Net Zero

3 **Product:** pioneering sustainability of Global High Value Tyre

4 **Nature:** redefining business interactions with Natural Capital

5 **People:** at the heart of our growth

6 Strengthening our **Global Value Chains**

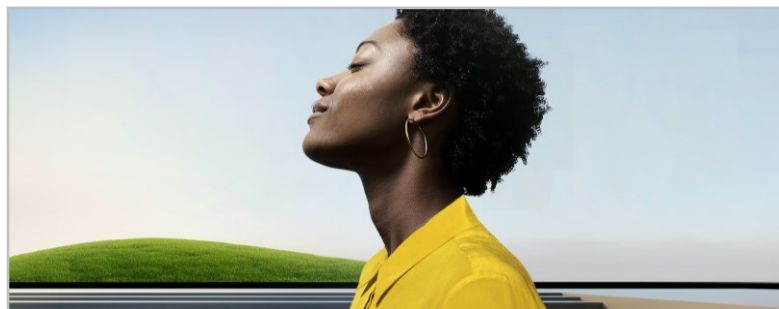
7 **ESG Indexes & Ratings: performance**

Context & Sustainability macro-trends in our industry



Mobility demand growing and evolving towards sustainable models

- » **Global demand for Mobility growing**
@ 2030 +40% vs 2015¹
- » **Electrification of Powertrains**
~80% of global Premium & Prestige car production is expected to be EV in 2030 vs ~25% in 2023²
- » **OEM pressure towards Sustainability**
Rolling resistance and sustainable materials are the key drivers for OE business, to reduce carbon footprint
- » **Rise of conscious Consumers**
80% of consumers consider sustainability in automotive purchases³
- » **Eco-limits for driving in cities**
All major cities considering lowering speed limits to reduce pollution and improve safety, with active/micromobility share growing from 10% to 13-17%¹



Social factors rising in prominence

- » **Greater Focus on Human Rights along the entire value chain**
Focus on safety, rights at work, living wage among others
- » **Diverse & Inclusive Work Environment**
Rising need for inclusion, gender representation, co-existing generation needs, multicultural environment
- » **People evolving expectations**
Purpose at work is central, with a workplace mindset shifting from 'what' to 'why' and 'how'. Rising work-life balance and wellbeing expectations
- » **New Skills shortage**
e.g. Digital/AI, Climate Science, Women in STEM. Competition on Talents and internal re-skilling needs



Key ESG Regulation impacting plan horizon

- » **European Deforestation Regulation (EUDR) - 30 Dec. 2024**
Legislation to curb the EU's contribution to global deforestation
- » **Corporate Sustainability Reporting Directive (CSRD) - 2025 on FY 2024**
Requires companies to report on the impact of their activities on the environment and society, risks and opportunities, considering both a retrospective and a forward-looking view
- » **Carbon Border Adjustment Mechanism (CBAM) – definitive regime in 2026**
EU's tool to put a fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU
- » **EURO 7 – 2028-2030**
Sets updated rules for the exhaust gas emissions of road vehicles, but also for other types of emissions like from tyre abrasion and brakes

Our commitment

Lead a value chain creating a positive impact on People, Planet and Mobility, with ambitious Plans supported by Technology, Innovation and data driven Actions, setting challenging Targets fully embedded in day-to-day management and constantly checked for progress.

REDUCING CLIMATE IMPACT

-51%
CO2 emission scope 1+2 today vs 2015

NET ZERO 2040

CREATING SUSTAINABLE PRODUCTS

>55%
Bio-based and Recycled materials today

>80%
Bio-based and Recycled materials by 2030

RESPECT AND CONSERVATION OF NATURE



First FSC™ certified tyre ever (launched in 2021)

-60%
Water withdrawal by 2030 vs 2015

PEOPLE AT THE HEART OF GROWTH

-65%
Accident index today vs 2015

>33%
Woman in management within 2030

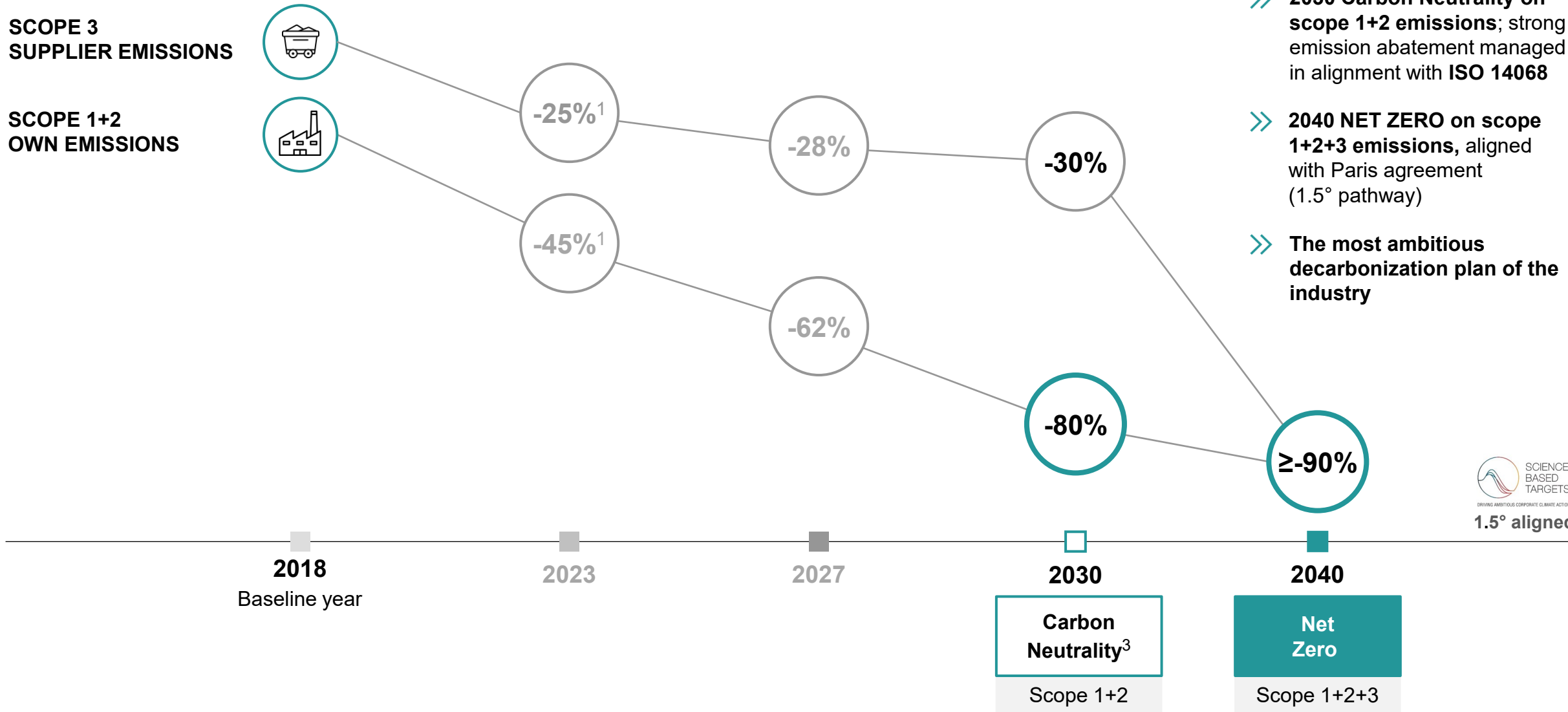
Reducing Climate Impact

- The most ambitious decarbonization plan of the industry

Fast forwarding our Transition: commitments to reach Net Zero by 2040



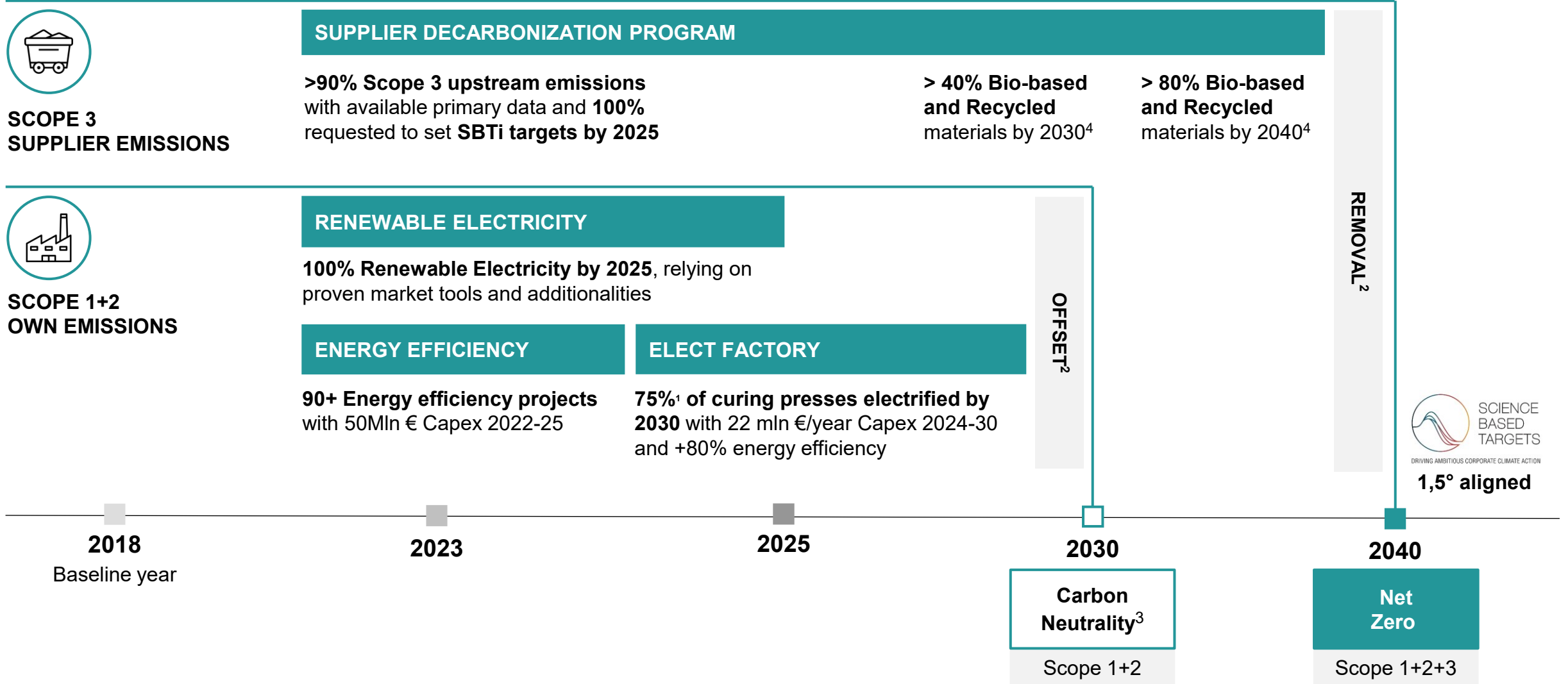
New Targets submitted to SBTi¹, after having reached previous ones 2 years in advance²



Meeting our climate goals: How and When



Increasing availability of **primary data on total emissions** (already >90% in 2024)

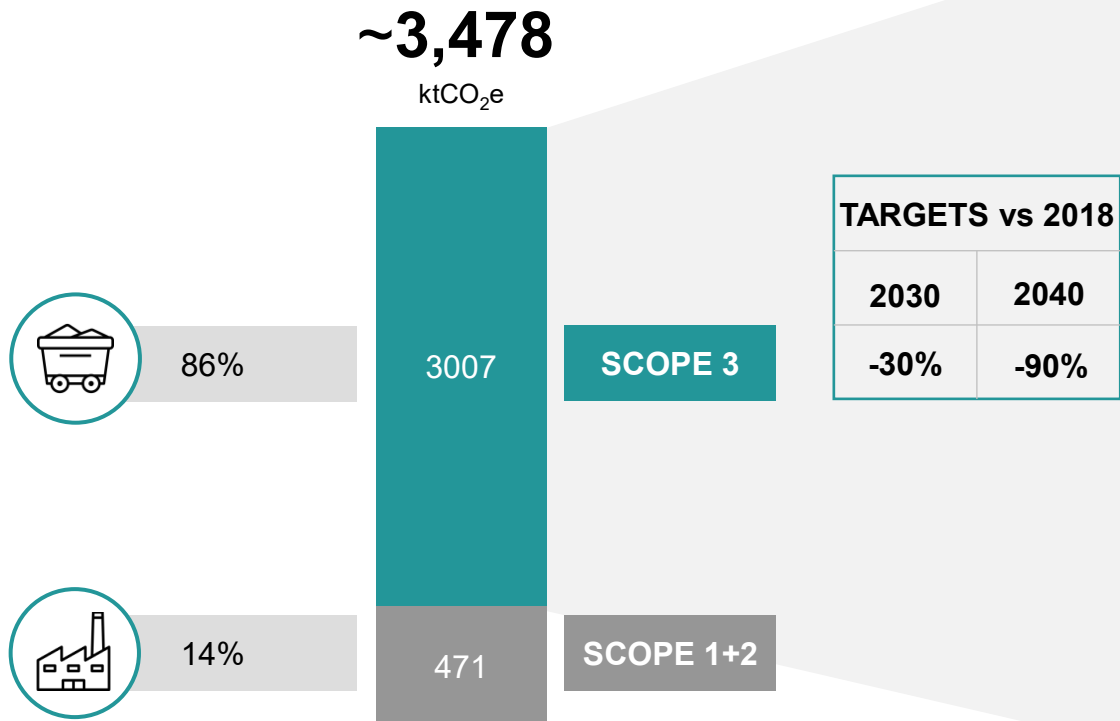


Focus on Scope 3: supply chain decarbonization strategy



Pirelli total absolute emissions @2023

(GHG Protocol and SBTi aligned)



Action on raw material suppliers

(Responsible for 90% of scope 3¹)

<p>» Increasing availability of primary data on total emissions (already >90% in 2024²)</p>	<p>» Suppliers engagement in targets:</p> <ul style="list-style-type: none"> • 100% requested to set SBTi Targets by 2025 • 100% requested to use only Renewable Electricity attributed to Pirelli supplies by 2025
<p>» Increasing local-for-local sourcing, reducing logistics emission</p>	<p>» Raw Materials switch to bio-based and recycled, targeting >40% of total production by 2030 and >80% by 2040</p>

1. Upstream Emissions; 2. referred to total upstream emissions

Creating Sustainable Products

- Designed for EV mobility, towards 100% materials of non-fossil origin, enabling our customers' decarbonization journey



New PZERO E: our lighthouse on the market



Pioneering sustainability of the High Value segment: pushing the limits of sustainable design key drivers

NEW TYRE GENERATION P ZERO™ E



Less fossil materials

>55% Bio-based and Recycled materials¹

Validated by third party³

Reduced vehicle CO₂ emission

AAA² European Label

Designed for new EV mobility



Low wear rate

-42% wear rate vs previous product, as certified by Dekra

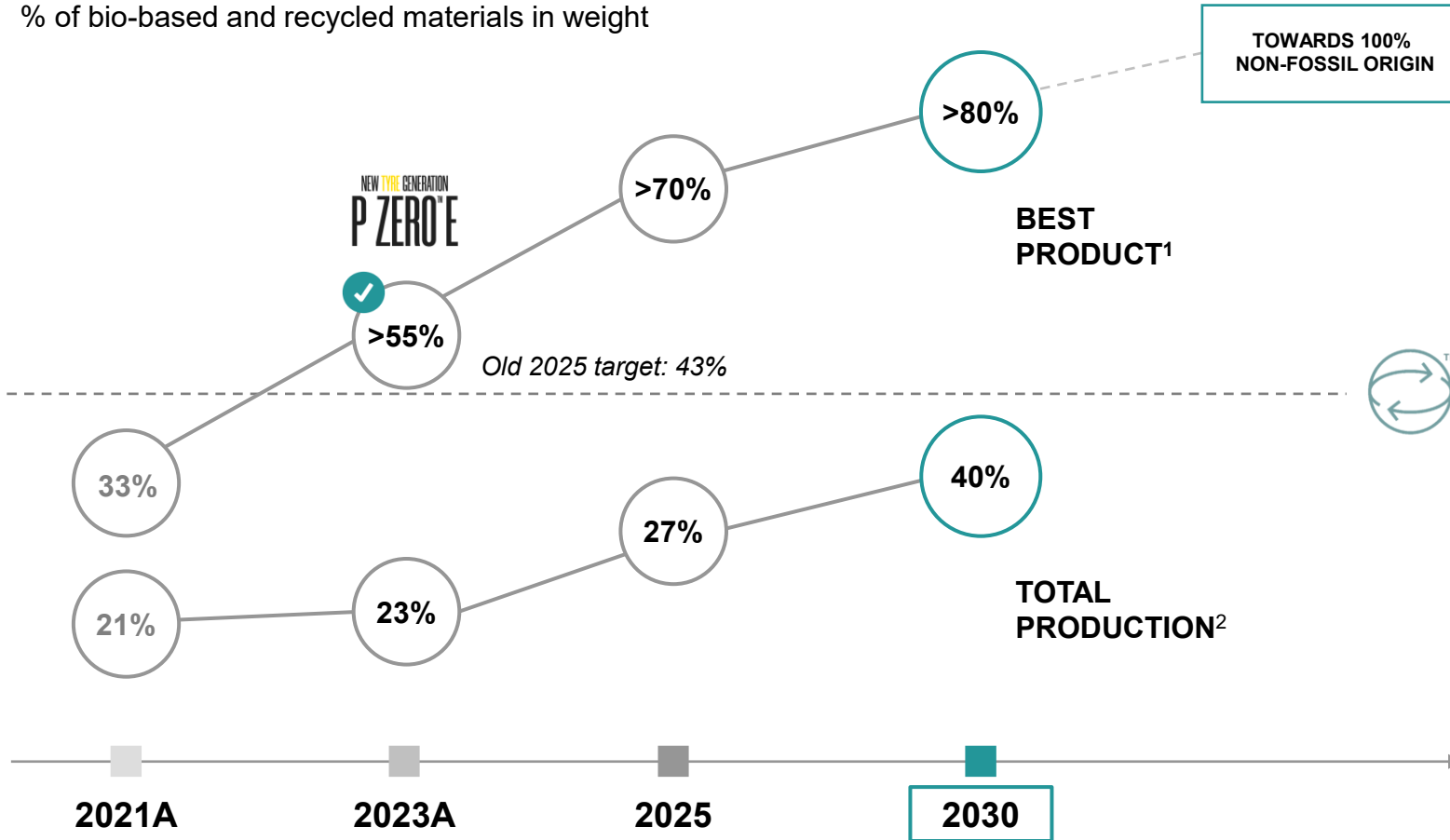
1. Thanks to a combination of physical segregation and mass balance approach. Depending on tyre size, bio-based and recycled content ranges between 29-31% and 25-27% respectively. Bio-based materials are natural rubber, textile reinforcements, bio-chemicals, bio-resins and lignin, while recycled materials are metallic reinforcements, chemicals and - through mass balance - synthetic rubber, silica and carbon black. (ISO 14021). 2. Triple A means that the tyre outperforms in terms of Rolling Resistance, Wet Grip and Noise, according to European tyre Label A. 3 | Bureau Veritas

Materials | Towards 100% of non-fossil origin, third-party certified



Targets

% of bio-based and recycled materials in weight



✓ Old Target @2025 reached in 2023



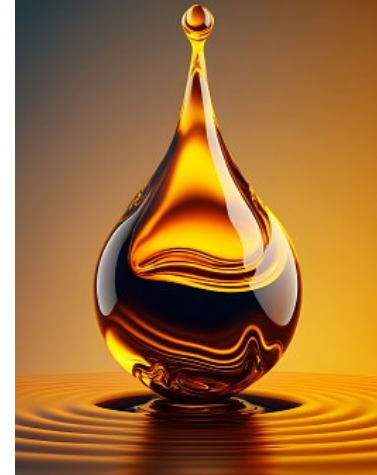
We push innovation to increase bio-based and recycled materials while decreasing fossil ones



Transparency for consumers: New Pirelli logo identifying tyres with ≥ 50% of bio-based and recycled materials



Sustainable content certified by third party



Circularity along our product life-cycle



Embedding the 5R in product life-cycle

5R

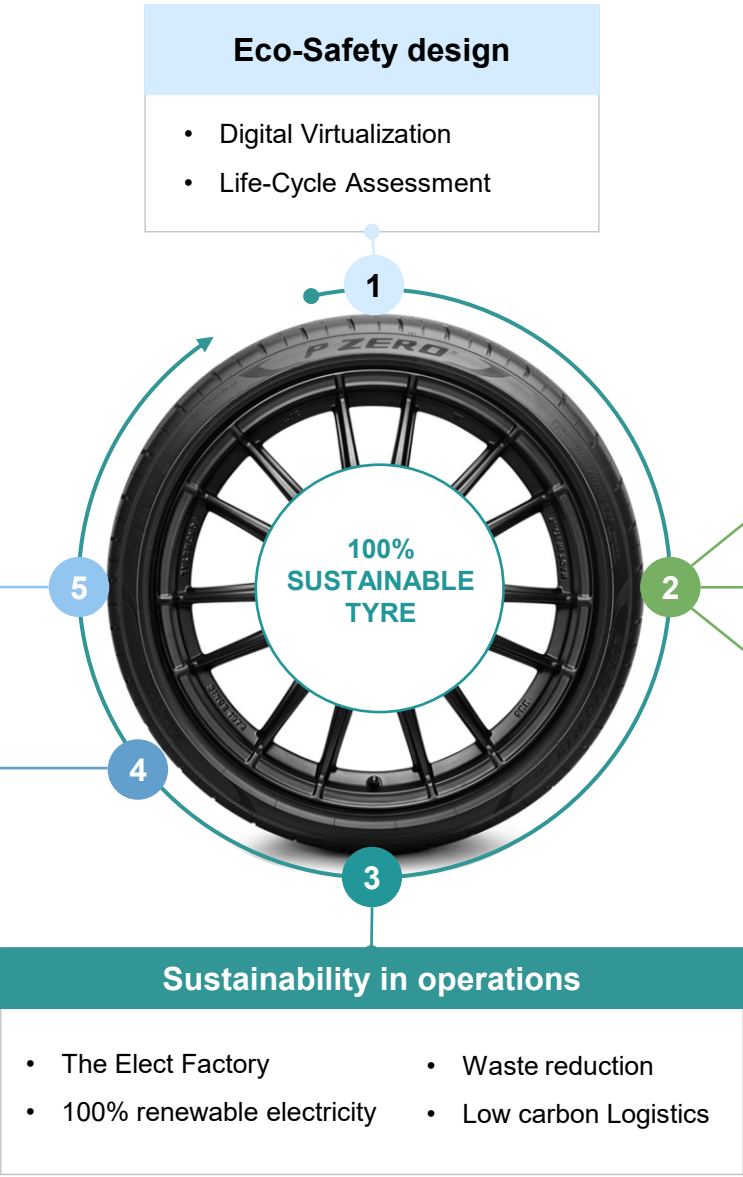
- Re-think
- Refuse
- Reduce
- Reuse
- Recycle

End-of-life

- Materials recycle
- High-tech recovered Carbon Black

Low emissions in use

- Ultra Low RR
- Wear rate reduced



Eco-Safety design

- Digital Virtualization
- Life-Cycle Assessment

Natural rubber

- Sustainable sourcing certified
- R&D for biodegradability

Non fossil materials certified

- Bio-based
- Recycled

Sustainable chemistry²

- No use of SVHC & POPs¹
- Alternatives to 6PPD

Sustainability in operations

- The Elect Factory
- 100% renewable electricity
- Waste reduction
- Low carbon Logistics



1. Per its Policy, Pirelli tyres and rubber compounds are manufactured: without the use of Substances of Very High Concern (SVHC) and without substances covered by Stockholm Convention on Persistent Organic Pollutants (POPs) and by Minamata Convention on Mercury 2| Pirelli applies and supports the technical indications concerning a development model based on a sustainable chemistry provided by the Organisation for Economic Cooperation and Development (OECD) – FSC™ N003618

Eco-Safety performance: enabling our customers decarbonization journey



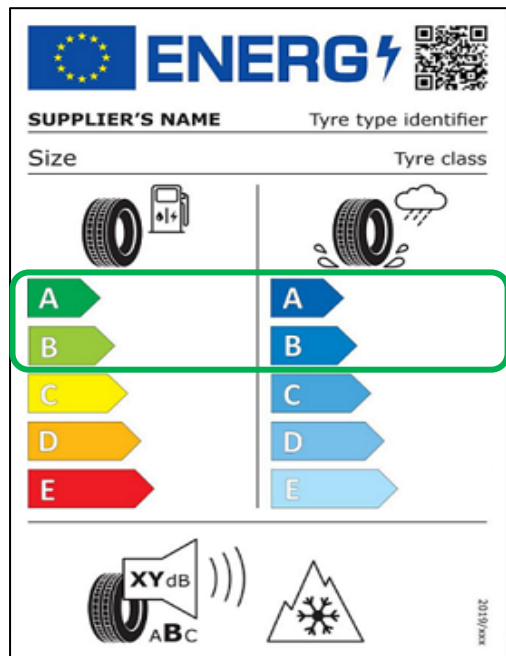
Expanding offer of low Rolling Resistance tyres, never compromising on safety



Tyre rolling resistance plays a key role in **reducing fuel and energy consumption** and thus vehicles CO₂ emissions.



Our **Eco-Safety approach** consists in a continuous reduction of rolling resistance without **any compromise on safety** in all driving conditions.



Targets

New IPCodes ¹	2023A	2025	
Rolling Resistance	A+B=55%	A+B>70%	
Wet Grip ²	A+B=98%	A+B>90% ✓	
Life-Cycle Assessment: 100% for New Car Lines by 2025			
Eco-Safety Business ¹	2023	2025	2030
A+B+C revenues ³	73%	66% ✓	
A+B volumes ⁴	30%	35%	>50%

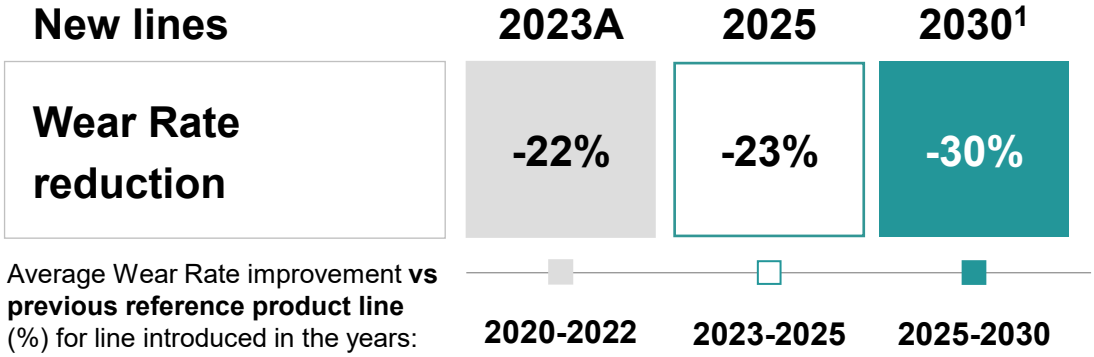
✓ Target 2025 already reached in 2023

Wear Rate: our reduction roadmap

Paving the way to anticipate EURO 7 compliance, addressing the higher weight of Electric Vehicles while improving mileage and consumers' satisfaction



Targets



Additional Pirelli focus

- >> Particulate size
- >> Material composition

Full readiness vs upcoming regulations

EURO 7

WHAT IS

Euro 7 establishes updated rules for the exhaust gas emissions of road vehicles, **tyre abrasion** and brakes.

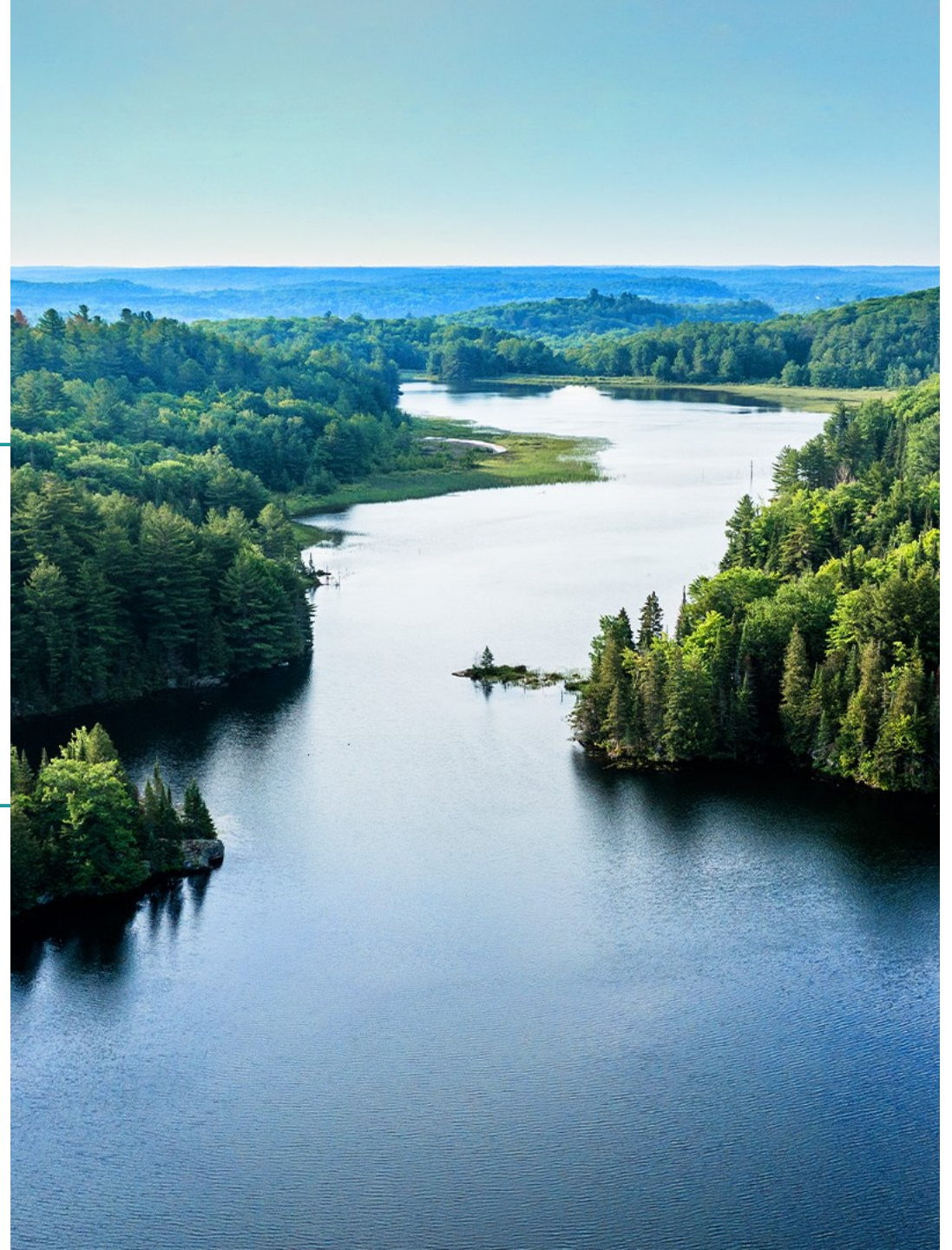
TIMING

Tyre abrasion limits will be mandatory from 2028-2030 depending on tyres classes.

1. Targets and methodology subject to change once official UNECE test method for abrasion in real driving condition is approved; expected 2027 for Car and 2029 for light truck

Nature

- Redefining business interactions with Natural Capital



Our Global Biodiversity Strategy along value chain

Redefining business interactions with Nature



In line with new Global Standards, towards Science Based Targets for Nature (SBTN)

LEAP **TNFD**

» All Life Cycle Assessments (LCAs) for new product lines include Biodiversity metrics on value chain impacts

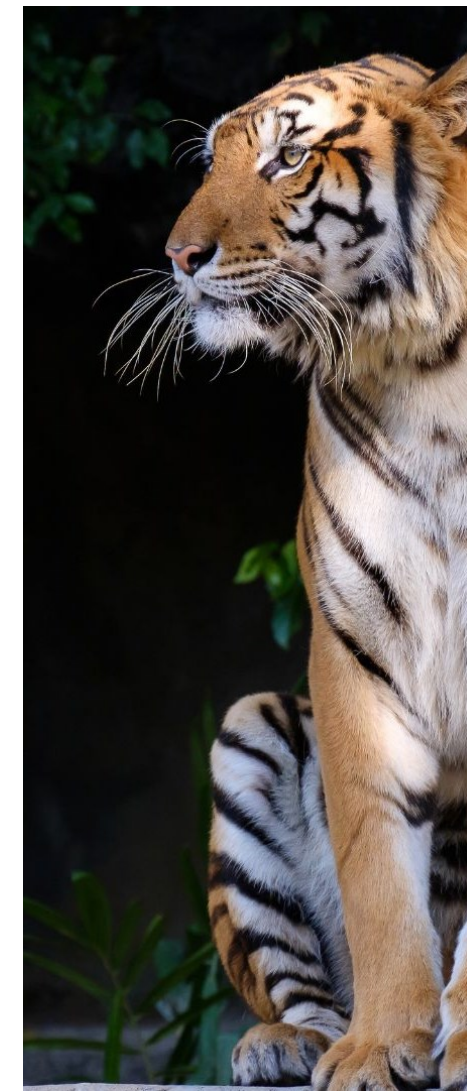
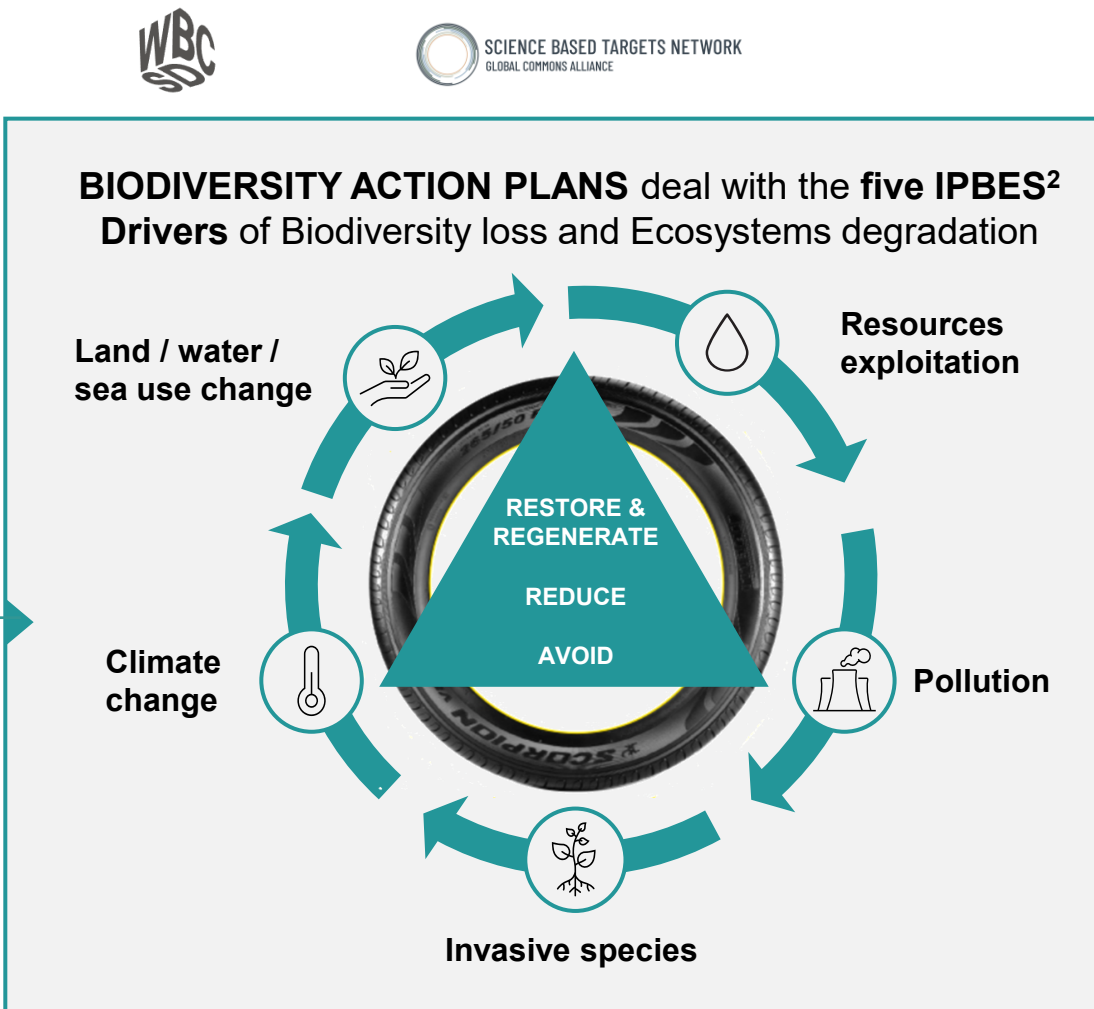
100% in 2024

» All Pirelli Industrial sites and track test areas have a Biodiversity Action Plan

- based on LEAP¹ approach
- dealing the five IPBES² Drivers

100% @2025

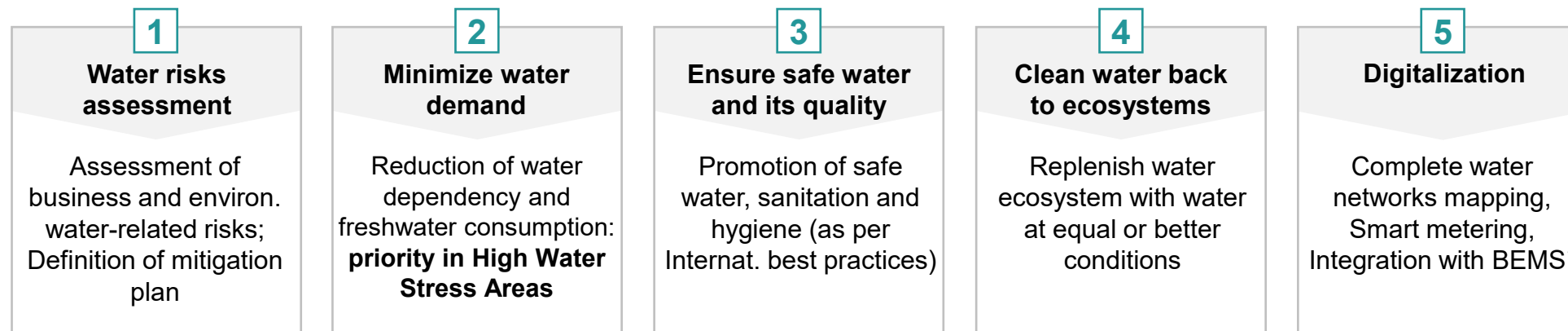
- » 2025: TNFD³ Reporting
- » Preparing for SBTN⁴ aligned targets



Freshwater: reducing dependency and preserving quality



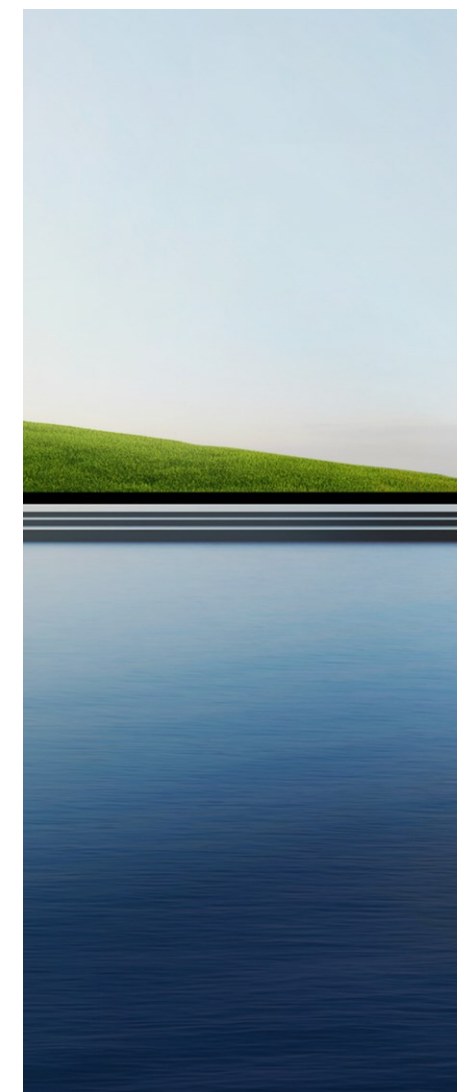
Our Model and Targets according to Excellence in Water Management Program



Targets

		2023	Reduction vs 2015		
		m ³ /ton FP ²	2023	2025	2030
QUANTITY Specific water withdrawal	Group	7.0	-45%	-43% ✓	-60%
	High Water Stress Areas	5.4	-31%	-36%	-45%
QUALITY Water emissions	Group	Preserving water quality Towards maximization of water reuse and recycling			

✓ Previous Plan Target @2025 outperformed in 2023



Forest: Towards 100% of FSC™ Natural Rubber in European plants by 2026



We promote the development of a Sustainable Natural Rubber Economy based on traced and certified supply chains, engaging our major partners to be part of this journey

Pirelli unique FSC™ strategy

Full readiness vs upcoming regulations



Forest Stewardship Council ensures that products from Forest origin are managed in a way that preserves biological diversity and benefits the lives of local people and workers

2021

2024

2026



World first consumer FSC™ certified tyres, made in Rome (Georgia, US) for BMW X5



World first F1® FSC™ certified tyres, from 2024 season



100% FSC™ Rubber used in European Pirelli plants



European Deforestation Regulation



WHAT IS

EU rules to guarantee that the products EU citizens consume **do not contribute to deforestation or forest degradation** worldwide



TIMING

Tracing & Due Diligence
- 30 December 2024



SCOPE

Beef, wood, palm oil, soya, coffee, cocoa. **Rubber and derivatives.**

Tyre Road Wear Particles: facing the challenge



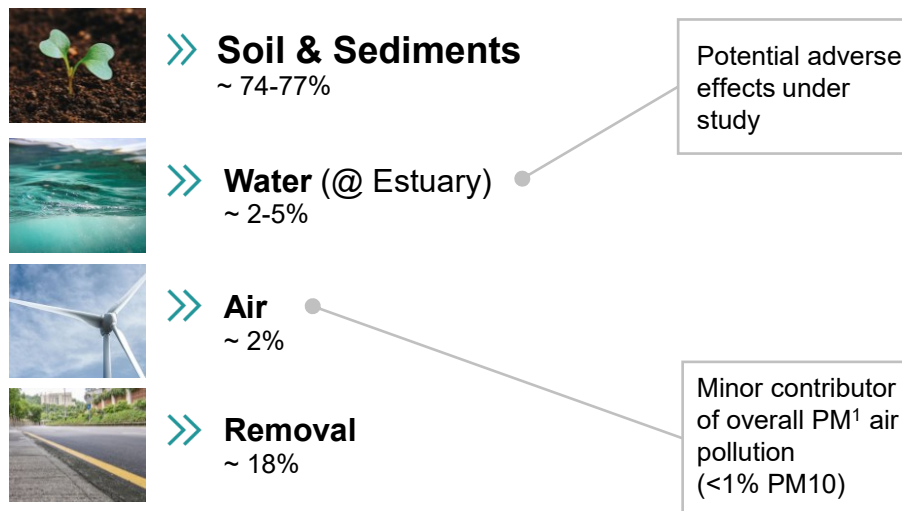
Context

What is TRWP?

Mixture of tyre tread fragments and road surface elements generated by the friction between the road and the tyre

Key influencing factors: tyre design, road characteristics, driving style, vehicles, weather

Where does it go?



How is industry moving?

Tire Industry Project (TIP)



CEO-led initiative, proactively working to **identify and address potential human health and environmental impacts of TRWP**



Bringing the scientific community together to advance the understanding on tyre unintentional emissions



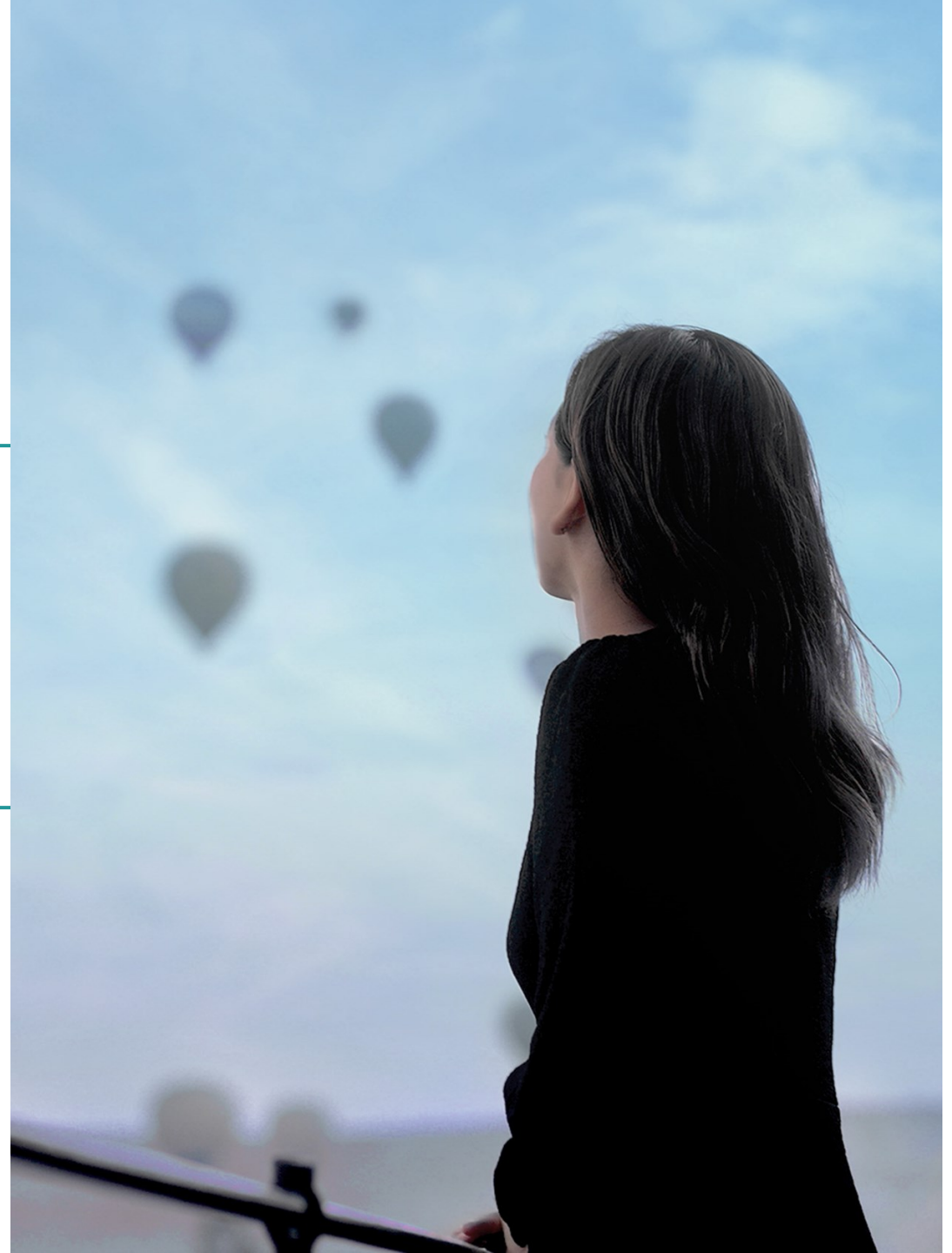
TRWP Mitigation task force engaging with relevant stakeholders and guiding **mitigation actions** through selected **pilot projects**

Our leverage on innovation and engagement

1. Reduction @source	2. Generation & Size	3. Biodegradability	4. Capturing	5. Industry initiatives
-30% wear rate on new product lines by 2030	Cooperation with universities and research centers on airborne particle generation models and means to optimize particle size	Innovation through JDA s and universities on material biodegradability , also through extension of Natural Rubber use	Scouting TRWP capturing solutions , including rainwater collection systems	Active participation in industry initiatives (TIP and Regional Trade Associations)

People

- At the heart of our growth



Our strategy for an engaged, diverse and talented global workforce



We are acting on 5 main pillars

				2023	2024 - 2030
	SAFETY FIRST	Towards Zero Accident at work	>> Frequency Index	1.7 ¹ -65% vs 2015	~1 ¹ @2025 <1 ¹ @2030
	CARING & WELLBEING	New Pirelli <i>Global Welfare Program</i>	>> Enhanced welfare offer	Localized offer - by country	New global offer covering 100% employees @2026
	DIVERSITY, EQUITY & INCLUSION	Growing a gender balanced talents pipeline	>> Women in management position	27%	≥33% @2030
		Equality in remuneration	>> Gender pay gap	+2.7% in favour of women	±2% @2030
	SKILLS DEVELOPMENT	Upskilling and reskilling focus on digital transformation, excellence in operations, climate science	>> Average training days per employee per year	7.4	Constantly >5.0 days
	ENGAGEMENT & RETENTION	Leveraging on employees listening and experience	>> Global Sustainable Engagement Index	83% (Staff 80%; Operatives 85%)	Constantly ≥80%

Strengthening our Global Value Chain



Partnering with our suppliers: managing risks while creating capacity



Risk Assessment & Mitigation

on Environment, Labour, Human Rights, Business Ethics

Drive excellence in responsible business conduct & mitigate risks



ANNUAL RISK ANALYSIS
to select potentially High, Mid and Low risk Suppliers (on all supplier base)

Capacity Building & Engagement

Strengthening Partners' resiliency and accelerate transformation



TRAINING



DECARBONIZATION
Continuous engagement on primary data collection and CO₂ emission reduction initiatives"

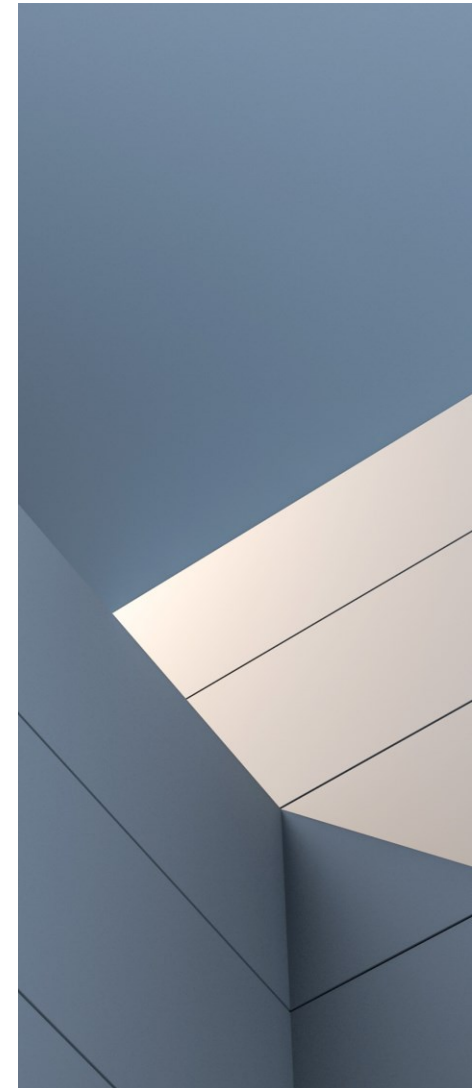
Scope	2023	2025	2027
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Suppliers assessed - % on Total Spending from Suppliers selected as potentially High and Mid ESG Risk ⁽³⁾

High ESG Risk ⁴	90%	96%	100%
Mid ESG Risk ⁴	82%	96%	100%

- » Mandatory recovery plan for non-conformities
- » Mandatory ESG on-site Audit for all potential suppliers of Raw Materials during Homologation Phase
- » Continuous effort towards full upstream traceability

Business and Human Rights Management	100% of Raw Materials suppliers and CAPEX strategic suppliers	100% of High Risk ⁴ (all other categories)	100% of Mid Risk ⁴ (all other categories)
Nature & Biodiversity	FSC ENGAGEMENT	100% of Raw Materials suppliers and CAPEX strategic suppliers	
Raw Material Suppliers accounting for 90% of CO ₂ upstream emissions	>90% Raw Mat Emissions covered by primary data	<ul style="list-style-type: none"> • requested to have an SBTi • requested to use 100% renewable electricity 	



Engaging with our customers on sustainability journey



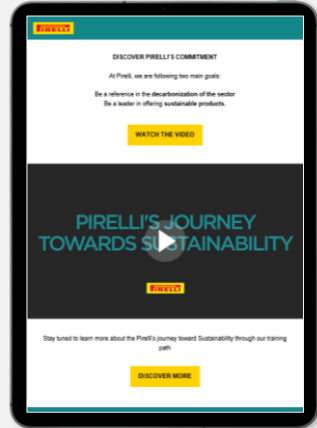
EUROPEAN SUSTAINABILITY MEETING

September 2023:
European Dealer
convention



SUSTAINABILITY NARRATIVE ON B2B CHANNEL

2023 Campaign on Pirelli
Sustainability Journey



SUSTAINABLE RETAIL NETWORK

Embedding sustainability
models into retail practices



LINKING THE BRAND WITH SUSTAINABILITY VALUES

Conveying the value of
sustainability within
purchasing experience

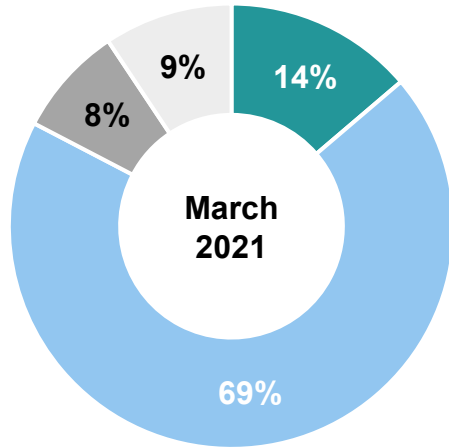


An ESG shaped finance

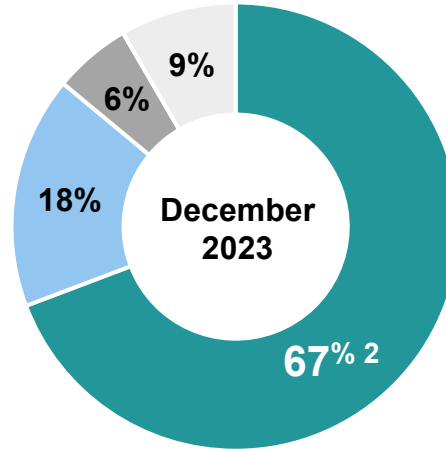


2021 Industrial Plan

- HQ¹ Debt – ESG Linked
- HQ¹ Debt – Conventional
- Local Debt
- IFRS 16



Today



Vs Top 5 peers average 31%

with a strong ambition











Working on **100% HQ Funding** in Sustainability Linked Format by 2025

Pioneering Sustainability Linked Finance in the tyre industry

- 2022** ■ First Sustainability Linked Financing framework in the tyre industry
- 2023** ■ First Benchmark Sustainability Linked Bond in the tyre industry

ESG Indices: a globally acknowledged sustainability leadership

As @ 06 March 2024

Major rankings	Last update	Score	Positioning in the reference sector
 <p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	2023	84	Top score ATX Auto Components and automotive
 <p>Top 1%</p>	2024	TOP 1% ESG	Max Score
 <p>CDP A LIST 2023 CLIMATE</p>	2023	A	Max Score
 <p>CDP CLIMATE CHANGE LEADER 2023</p>	2024	A	Max Score
 <p>Corporate ESG Performance RATED BY ISS ESG Prime</p>	2024	B	Prime status and Top score Auto Components
 <p>FTSE4Good</p>	2023	4.5 / 5	Second score Auto parts
 <p>MSCI ESG RATINGS AA</p>	2023	AA	ESG Leader
SUSTAINALYTICS	2024	11,0	Top score tyre industry (lowest risk); Awarded both <i>Industry</i> and <i>Region Top Rating</i>
 <p>PLATINUM 2023 ecovadis Sustainability Rating</p>	2023	Platinum	Top 1%



POWER IS NOTHING WITHOUT CONTROL.TM
BUT CONTROL IS NOT ENOUGH.
WE HAVE TO DO MORE.TM



FOR PEOPLE

We work for safety and caring for people is a fundamental part of our job.

FOR PLANET

There is no place for shortcuts and we consider the earth our most demanding stakeholder.

FOR MOBILITY

We are in the middle of a true revolution and nothing will be as before.



2023
RESULTS



2024-25
INDUSTRIAL PLAN UPDATE

Financial Appendix

6th March, 2024

Economic results summary

€ million	1Q 2023	1Q 2022	Δ YoY	2Q 2023	2Q 2022	Δ YoY	3Q 2023	3Q 2022	Δ YoY	4Q 2023	4Q 2022	Δ YoY	FY 2023	FY 2022	Δ YoY
Net Sales	1,700	1,521	11.7%	1,738	1,676	3.7%	1,723	1,836	-6.2%	1,490	1,582	-5.8%	6,650	6,616	0.5%
<i>Organic variation</i>			12.0%			9.0%			2.2%			4.8%			6.8%
adjusted EBITDA¹	360	333	8.0%	379	362	4.7%	377	384	-1.9%	330	329	0.3%	1,446	1,408	2.7%
<i>% of net sales</i>	21.2%	21.9%	-0.7p.p.	21.8%	21.6%	+0.2p.p.	21.9%	20.9%	+1.0p.p.	22.2%	20.8%	+1.4p.p.	21.7%	21.3%	+0.5p.p.
reported EBITDA	351	326	7.7%	368	350	5.1%	368	367	0.2%	279	293	-4.5%	1,366	1,336	2.3%
<i>% of net sales</i>	20.6%	21.4%	-0.8p.p.	21.2%	20.9%	+0.3p.p.	21.4%	20.0%	+1.4p.p.	18.8%	18.5%	+0.3p.p.	20.5%	20.2%	+0.4p.p.
adjusted EBIT¹	248	228	8.6%	269	253	6.4%	265	272	-2.5%	219	224	-2.2%	1,002	978	2.5%
<i>% of net sales</i>	14.6%	15.0%	-0.4p.p.	15.5%	15.1%	+0.4p.p.	15.4%	14.8%	+0.6p.p.	14.7%	14.2%	+0.5p.p.	15.1%	14.8%	+0.3p.p.
reported EBIT	211	193	9.4%	229	213	7.8%	228	227	0.6%	140	159	-12.1%	808	791	2.1%
<i>% of net sales</i>	12.4%	12.7%	-0.3p.p.	13.2%	12.7%	+0.5p.p.	13.3%	12.4%	+0.9p.p.	9.4%	10.1%	-0.7p.p.	12.2%	12.0%	+0.2p.p.
Net income / (loss) from equity investments	2	1	n.m.	4	2	n.m.	3	1	n.m.	7	3	n.m.	16	6	n.m.
Financial income / (expenses)	(52)	(44)	19.9%	(55)	(46)	18.6%	(43)	(55)	-21.9%	(44)	(57)	-22.3%	(194)	(202)	-3.8%
EBT	161	150	7.4%	179	168	6.2%	188	172	8.9%	103	105	-2.1%	630	596	5.8%
Taxes	(46)	(40)	14.7%	(51)	(45)	13.2%	(19)	(46)	-58.1%	(18)	(29)	-36.6%	(134)	(160)	-16.0%
Tax rate %	-28.5%	-26.7%	-1.8p.p.	-28.5%	-26.7%	-1.8p.p.	-10.3%	-26.7%	+16p.p.	-17.7%	-27.3%	+9.6p.p.	-21.3%	-26.8%	+5.5p.p.
Net Income / (loss)	115	110	4.7%	128	123	3.6%	168	126	33.3%	85	77	10.8%	496	436	13.8%
Earnings / (loss) per share (€ per share)	0.11	0.11	3.8%	0.12	0.11	5.7%	0.16	0.12	37.5%	0.09	0.08	8.5%	0.48	0.42	14.7%
Net income / (loss) adjusted	142	137	3.9%	156	151	3.4%	155	158	-2.0%	142	125	14.2%	595	570	4.4%

Consolidated Balance Sheet

€ million	31/12/2023	31/12/2022
Fixed assets	8,812.1	8,911.1
<i>Inventories</i>	1,371.4	1,457.7
<i>Trade receivables</i>	649.4	636.5
<i>Trade payables</i>	(1,999.4)	(1,973.3)
Operating net working capital	21.4	120.9
<i>% of net sales</i>	0.3%	1.8%
Other receivables / payables	45.8	42.3
Net working capital	67.2	163.2
<i>% of net sales</i>	1.0%	2.5%
Total net invested capital	8,879.3	9,074.3
Equity	5,619.6	5,453.8
Provisions	998.0	1,067.9
Net financial position	2,261.7	2,552.6
Total financing and shareholders' equity	8,879.3	9,074.3
Attributable net equity	5,494.4	5,323.8
Total net financial debt¹	2,387.4	2,683.8

Net Cash Flow

	1Q 2023	2Q 2023	3Q 2023	4Q 2023	4Q 2022	FY 2023	FY 2022
Adjusted Operating income (EBIT)	248.1	269.3	265.1	219.3	224.3	1,001.8	977.8
Amortiz. & depreciations (excl. PPA amortiz.)	111.6	110.1	111.6	111.0	104.8	444.3	430.5
Investments in tangible and intangible assets (Capex)	(53.2)	(70.3)	(77.7)	(204.5)	(209.0)	(405.7)	(397.7)
Increase in right of use	(15.1)	(26.5)	(27.5)	(32.1)	(29.2)	(101.2)	(79.7)
Change in working capital/other	(868.8)	(6.8)	(0.4)	961.4	830.5	85.4	77.9
Operating Cash Flow	(577.4)	275.8	271.1	1,055.1	921.4	1,024.6	1,008.8
Financial income/(expenses)	(52.2)	(54.7)	(43.3)	(43.9)	(56.6)	(194.1)	(201.7)
Taxes paid	(29.0)	(32.3)	(43.8)	(33.9)	(54.3)	(139.0)	(205.5)
Cash-out for non recurring items and restructuring costs / other	(12.6)	(10.2)	(8.8)	(8.5)	(11.8)	(40.1)	(58.3)
Dividend paid to minorities	-	(3.9)	0.3	0.1	0.2	(3.5)	(24.4)
Exchange rates difference/other	(20.2)	(18.2)	(8.3)	(92.3)	39.8	(139.0)	(3.4)
Net Cash Flow before extr. oper. / equity transactions / divid.	(691.4)	156.5	167.2	876.6	838.7	508.9	515.5
Extraordinary operations	-	-	-	-	-	-	-
Net Cash Flow before dividends	(691.4)	156.5	167.2	876.6	838.7	508.9	515.5
Dividends paid by Parent	-	-	(217.8)	(0.2)	(0.8)	(218.0)	(161.0)
Net Cash Flow	(691.4)	156.5	(50.6)	876.4	837.9	290.9	354.5

2023 Strategic programs implementation: delivery in line with targets



Commercial

- ✓ **Consolidating High Value positioning:**
 - +5% in Car $\geq 18''$ in line with market and overperformance in Repl. (+4% PI vs +3% mkt)
 - strong focus on $\geq 19''$ and EV
- ✓ **Lowering exposure to Standard**



Innovation

- ✓ **Widening our OE portfolio:**
 - ~**340** new car homologations (84% $\geq 19''$, ~50% EV)
 - **EV portfolio reaching ~570** homologations worldwide
- ✓ **Launched 6 products:** 4 global lines and 2 dedicated to USA
- ✓ **Pirelli PZero E wins "Tyre of the year" award at the 2023 Automobile Awards in Paris**



Competitiveness

- ✓ **Delivering Wave 3 Efficiency program**
 - ~**€92 mln** gross savings confirmed
 - supported by Company digitization



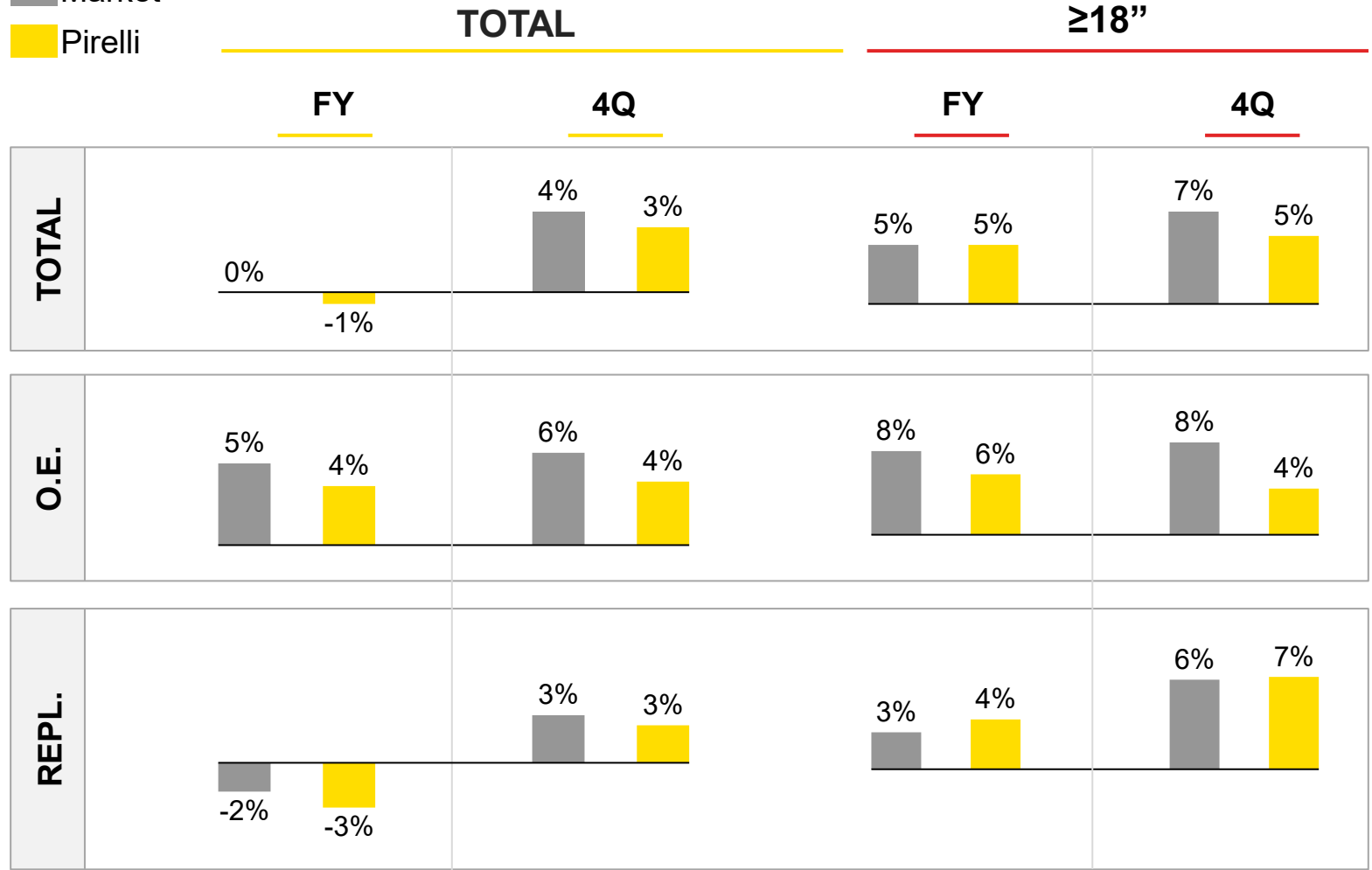
Operations

- ✓ **Improving operations and environmental footprint**
 - ~**90%** capacity utilization (~**95%** in **High Value**)
 - Speeding up deployment of **plant decarbonization**

FY 2023 Commercial Program:

Pursuing a selective, value-oriented strategy

Market
Pirelli





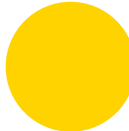
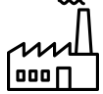









4Q Highlights

- » Further reduction in Car $\le 17''$ (flat in 4Q vs. +2% Mkt; -8% in FY vs. -1% Mkt)
- » HV OE reflecting a selective approach (mainly in EU) with higher focus on $\ge 19''$ and EV
- » Consolidating our positioning in major HV Markets, seizing Repl. growth opportunities while maintaining a solid price discipline



FY 2023 Competitiveness program:

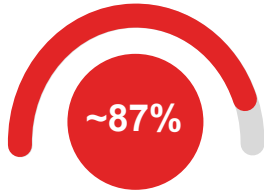
Achieved efficiencies for ~92M€, in line with expectations

		Focusing on:	FY 2022 ACT	FY 2023 ACT	4Q 2023 ACT
	Product Cost	<ul style="list-style-type: none"> » Modularity » Design speed and virtualization 			~34% of FY
	Manufacturing	<ul style="list-style-type: none"> » Industrial IoT and flexible factory » Energy consumption 			~50% of FY
	SG&A	<ul style="list-style-type: none"> » Logistics network redesign and service differentiation » Procurement rationalization 			~40% of FY
	Organization	<ul style="list-style-type: none"> » Digital processes and organization transformation 			~40% of FY
Total Gross Impact			~€136M	~€92M 	~€31M ~33% of FY

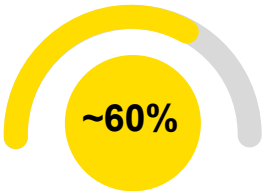
FY 2023 Innovation program

Secure future HV volumes through homologations, targeting share gain in Repl. with our product pipeline

~ 340 New Homologations



Higher rim sizes ($\geq 19''$)



Specialties
(on $\geq 19''$)



Reaching a ~30% Mkt sh.
among Premium EV OEMs

6 new High Value products launched

- » 4 Global lines with focus on EV, SUV & racing
- » 2 All-Season dedicated to North American customers

P ZERO™ E



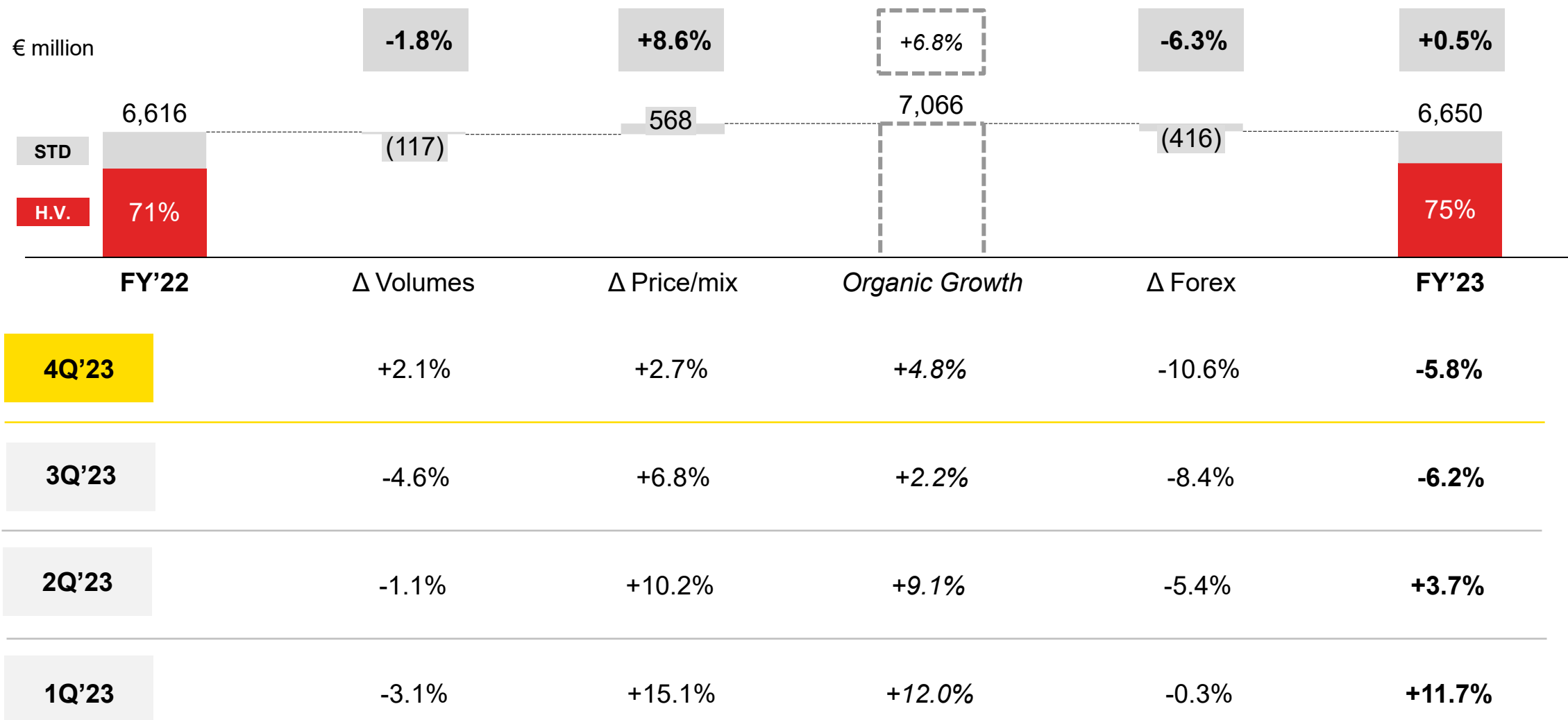
Eco-Safety champion for High-End EV,
designed for sustainable mobility

Awarded
“Tyre of the year” 2023



FY 2023 Sales bridge

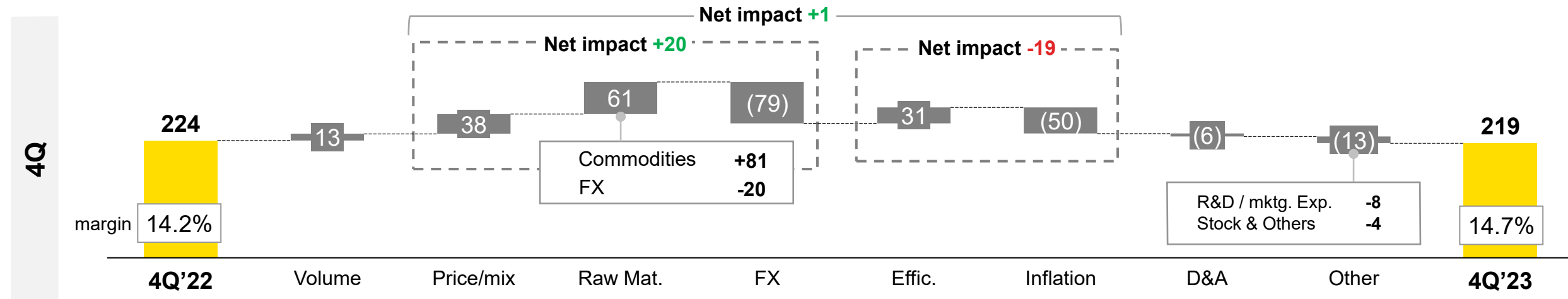
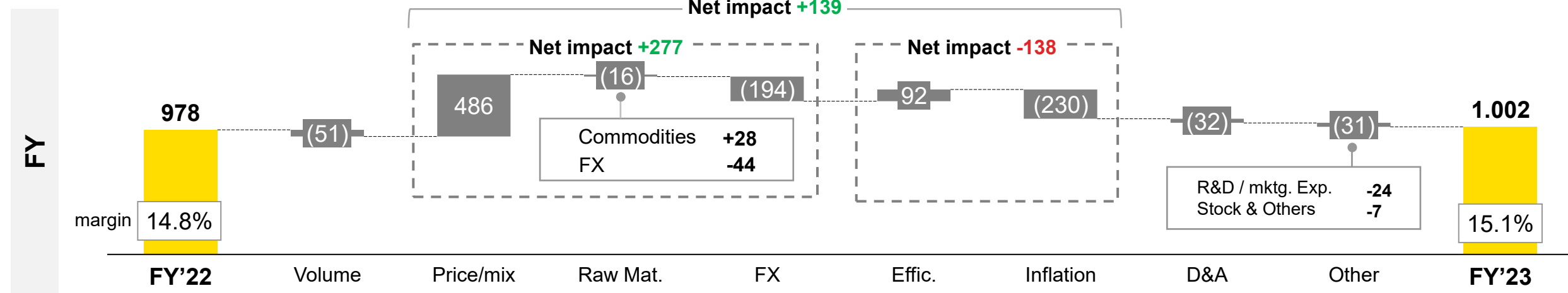
Strong price/mix mitigates impact of weak demand and high currency volatility



FY 2023 adjusted EBIT bridge

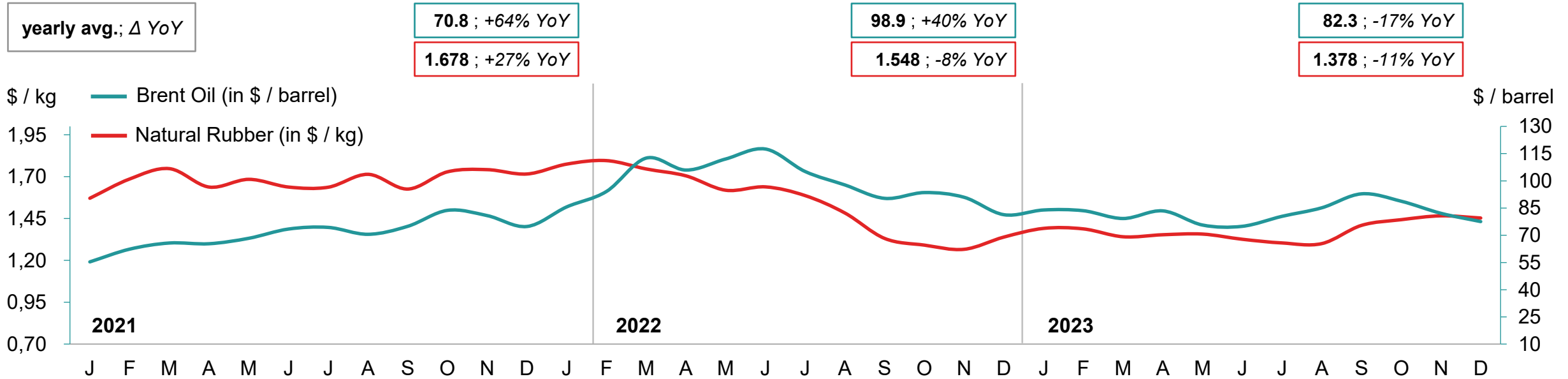
Profitability supported by price/mix and efficiency covering ~1.3x Raw Mat, FX & Inflation headwinds

€ million



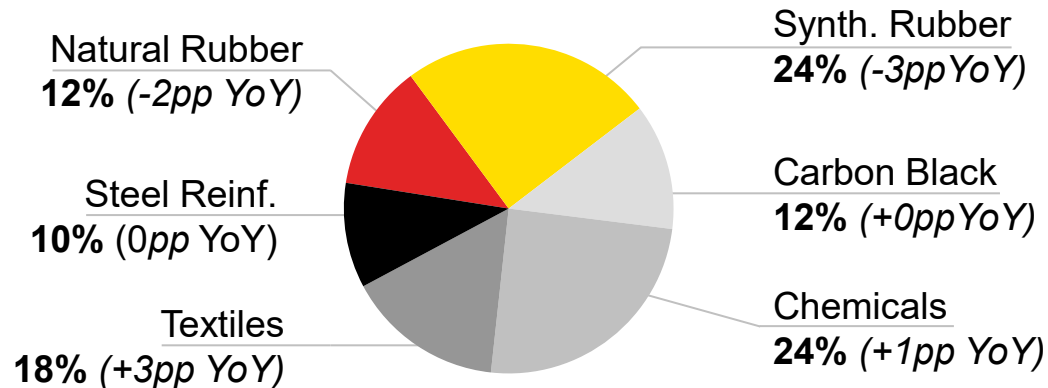
Raw material costs trend and mix

Main raw materials price trend

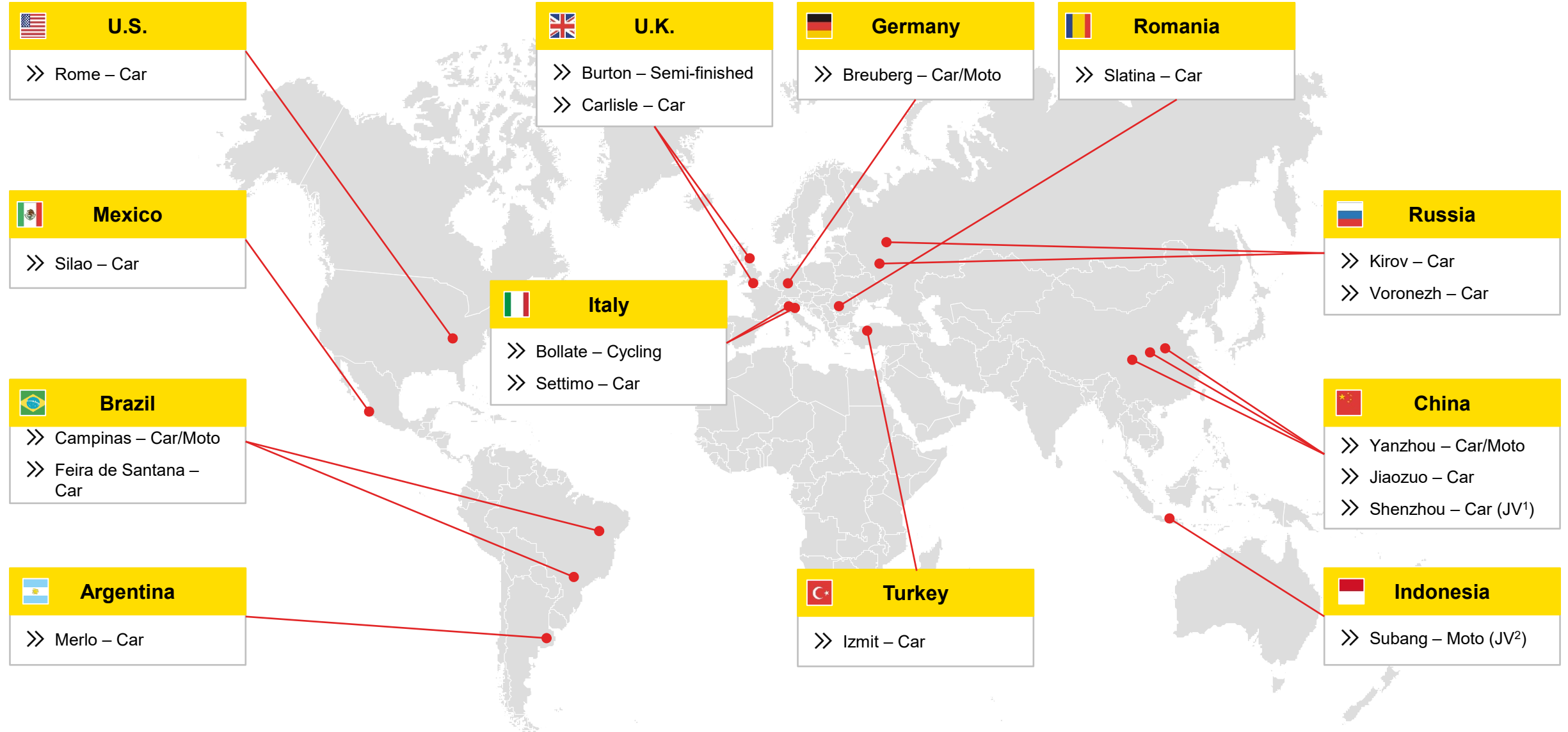


Pirelli FY 2023 mix based on purchasing cost

33%
raw mat. Costs on sales



Pirelli manufacturing footprint



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

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