



2020 - 2022 INDUSTRIAL PLAN | VISION 2025

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The APIs presented herein include EBIT, EBIT margin, EBITDA, EBITDA margin.

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In order to facilitate the understanding of our financial position and financial performance, this Presentation contains other performance measures, such as CapEx (Capital Expenditures) or Investments in property, plant & equipment, Operating working capital related to continuing operations, Net Financial (liquidity) / debt Position, Net financial (liquidity)/debt position without IFRS 16, Operating net cash flow, Net cash flow and Net cash flow before dividends.

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AGENDA

PIRELLI EVOLUTION TO DATE & STRATEGIC DIRECTION

PIRELLI STRATEGY DEPLOYMENT: PILLAR 1 – COST COMPETITIVENESS

2020-2022 SCENARIO

PIRELLI STRATEGY DEPLOYMENT: PILLAR 2 - COMMERCIAL DEVELOPMENT

PIRELLI STRATEGY DEPLOYMENT: PILLAR 3 – TECHNOLOGY-BASED INNOVATION

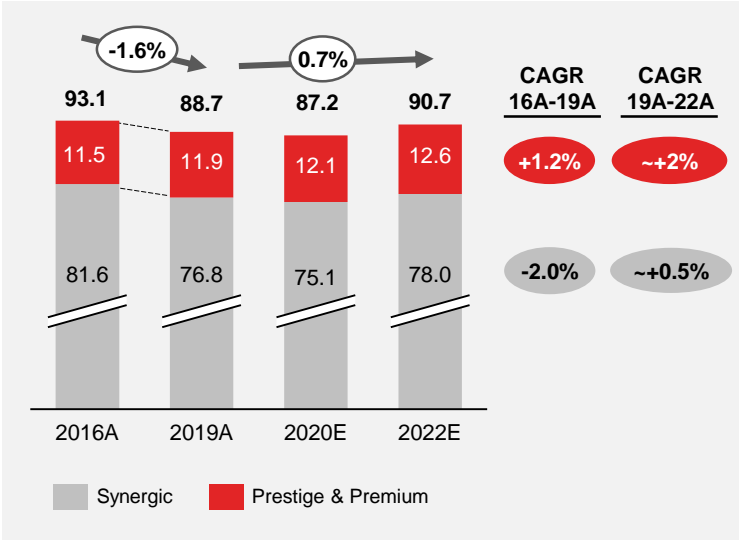
2019 FINANCIAL REVIEW AND 2020-2022 TARGETS IN DETAIL

APPENDIX

CAR SALES IN DOWNTURN CYCLE, HOWEVER CARS FITTING ≥18” TYRES GROWING AT HIGHER RATE

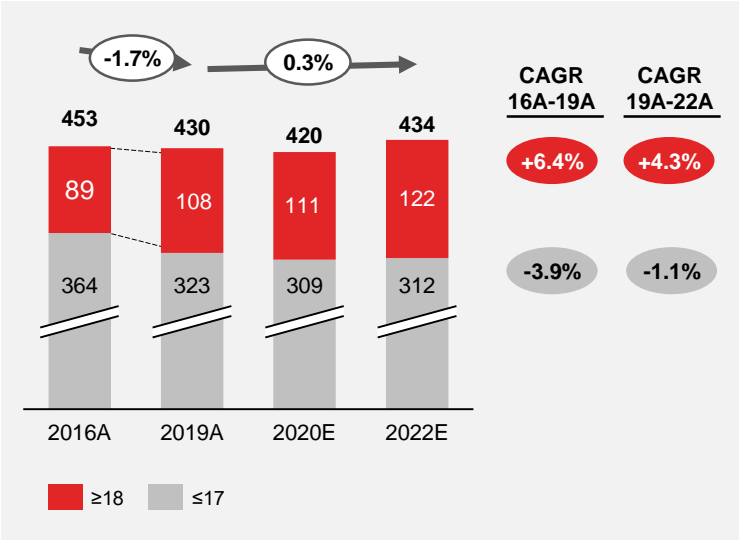
WORLD CAR PRODUCTION

million vehicles



WORLD O.E. TYRE MARKET

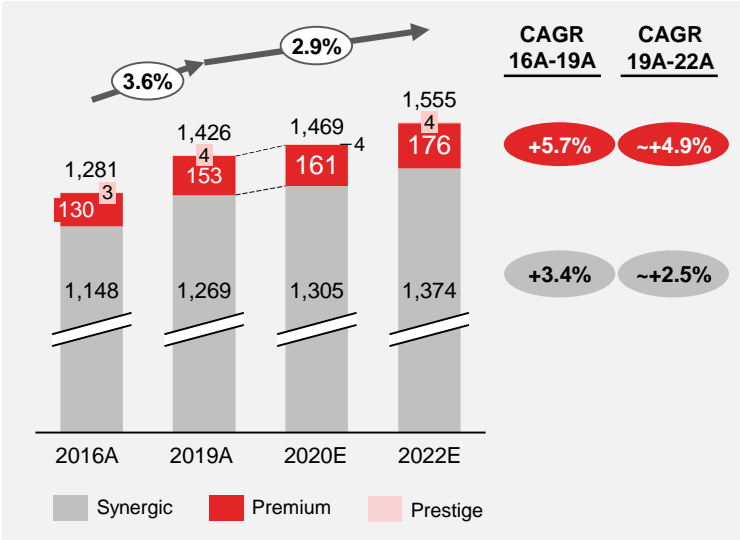
million tyres



HIGH VALUE REPLACEMENT TYRE MARKET: RESILIENT ALSO IN A MORE DIFFICULT SCENARIO

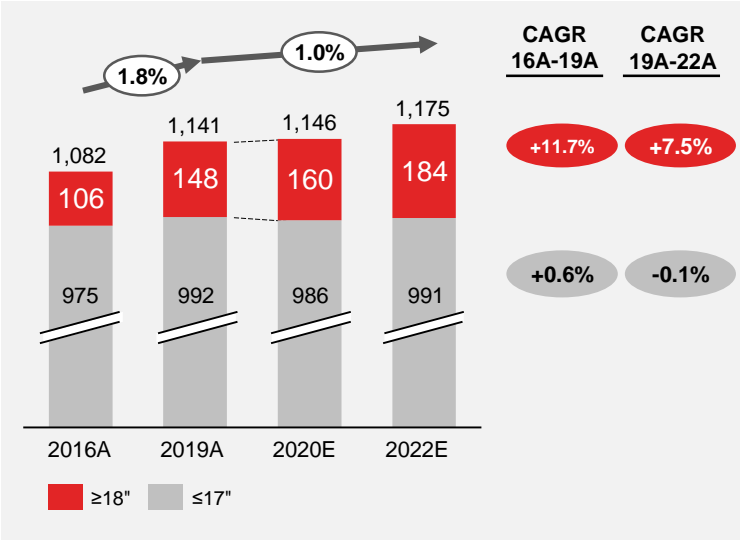
WORLD CAR PARC

million vehicles



WORLD REPLACEMENT TYRE MARKET

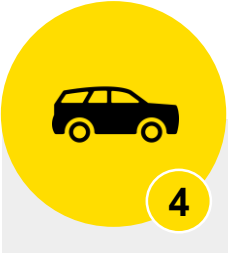
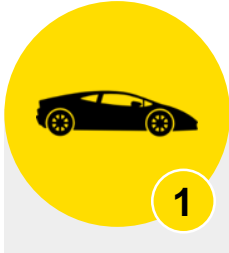
million tyres



42 | Source: IHS november 2019, Company elaborations based on third party and associations of tyre producers market data



KEY DRIVERS OF GLOBAL HIGH VALUE MARKET GROWTH



Confirmed	Penetration of Premium & Prestige cars	Increase in number of homologations	Growing demand for specialties	Rising penetration of SUVs	New Car technologies
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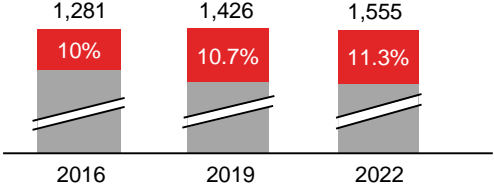
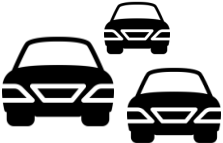
NEW	Synergic "Premiumization"	Car Platform modularity	Adding new specialties	SUV further segmentation	Electric and Connected acceleration Autonomous and Sharing slow down
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DRIVER 1: PENETRATION OF PREMIUM & PRESTIGE CARS AND PREMIUMIZATION OF SYNERGIC

PREMIUM/PRESTIGE PENETRATION ON TOTAL CAR PARC

million vehicles



**CAGR
16A-19A**

+5.7%

+3.4%

**CAGR
19A-22A**

~+5%

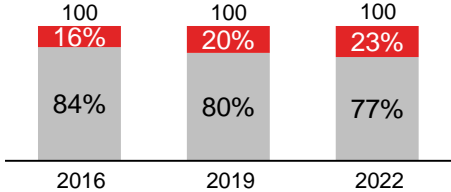
~+2.5%

Premium
Prestige

Synergic

NEW SYNERGIC CARS FITTING ≥18" TYRES

% on 100% index



- High-end range of Synergic OEMs is the fast growing segment in the next 3 years
- From 2018 to 2022 over 80% of the tyre market growth in ≥18" segment is driven by Synergic vehicles

KEEP LEADERSHIP IN PREMIUM/PRESTIGE AND EXPAND OFFER ON «PREMIUMIZED» SYNERGIC

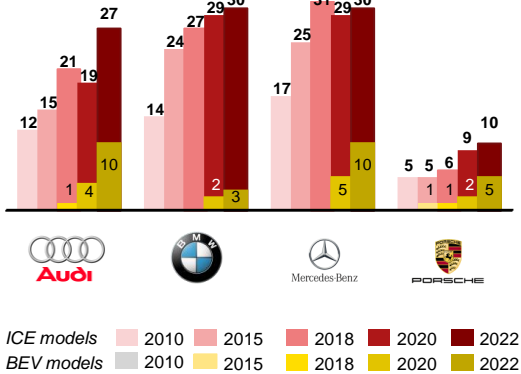
Source: IHS and Company elaborations based on third party and associations of tyre producers car market data, restated vs. Nov.17 estimates (wider perimeter), minor restatements on past data may occur;



DRIVER 2: INCREASING NUMBER OF CAR MODELS PER BRAND

ADDING ELECTRIC PLATFORM TO EXISTING ONES...


Number of Models by OEM¹




...AT THE SAME TIME EXPLOITING PLATFORM MODULARITY AND TYRE HOMOLOGATION SYNERGIES

Range coverage


SEASONALITY	RIM	SPECIALTY	ROOT
Summer	18"	standard	235/60R18
			235/55R19 255/50R19
	19"	self sealing	235/55R19 255/50R19
			235/50R20 255/45R20
	20"	self sealing	235/45R21 255/40R21
			235/55R19 255/50R19
All Season	19"	self sealing	optional
			235/50R20 255/45R20
Winter	19"	self sealing	235/55R19 255/50R19



Volkswagen MEB ID 4



Skoda MEB Vision E



Audi PPE Q4 E-Tron

Platform	Volkswagen MEB ID 4	Skoda MEB Vision E	Audi PPE Q4 E-Tron
Summer 18" standard	Yellow box	Yellow box	Yellow box
Summer 19" self sealing	Yellow box	Yellow box	Yellow box
Summer 20" self sealing	Yellow box	Yellow box	Yellow box
Summer 21" self sealing	Yellow box	Yellow box	Yellow box
All Season 19" self sealing	optional	optional	Yellow box
All Season 20" standard	Yellow box	Yellow box	Yellow box
Winter 19" self sealing	Yellow box	Yellow box	Yellow box

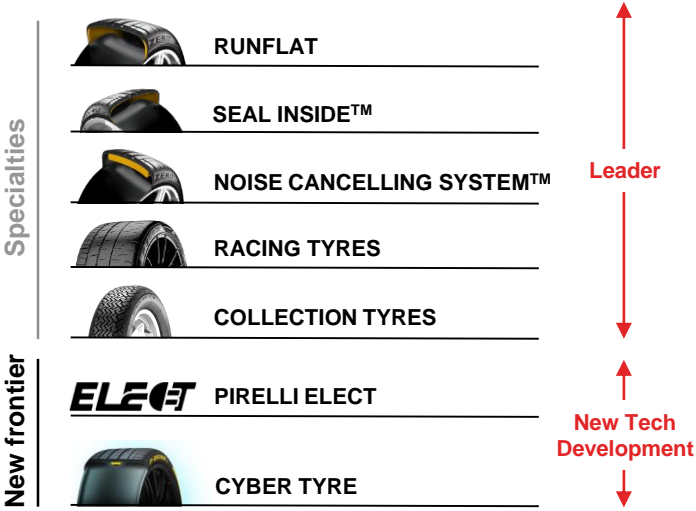
SELECTED HOMOLOGATION PORTFOLIO TARGETING NEW TRENDS

Source: IHS Markit @ July 2019 & Pirelli Alternative Propulsion @ June 2019, Company elaborations based on third party data relative to car market and on data of local associations of tyre producers;
 Note: If a car model has both the tradition and BEV version, it is counted as double



DRIVER 3: GROWING DEMAND FOR SPECIALTIES

PRODUCTS



CONSUMER FOCUS AND NEEDS SEGMENTATION

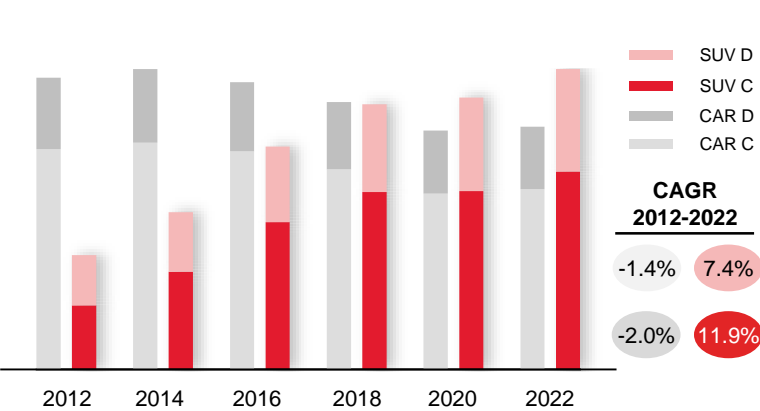


REINFORCING LEADERSHIP ON SPECIALTIES ADDRESSING SPECIFIC CUSTOMER SEGMENTS



DRIVER 4: RISING SUV AND CUV PENETRATION

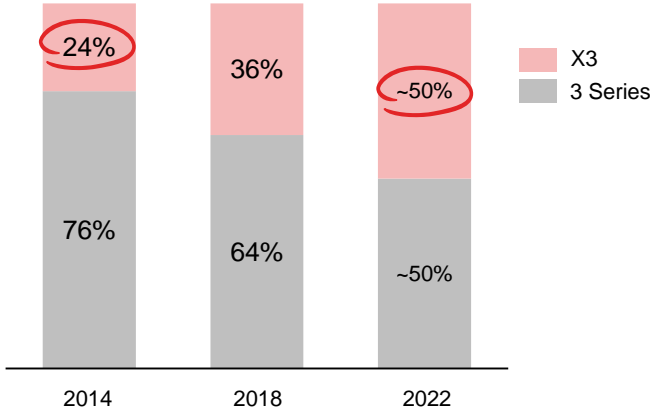
WORLD CAR REGISTRATIONS: SUVs AND CUVs ARE REPLACING SEDANS



Avg Fitment 17"
 ≈ 30% of the car parc is 18up



EXAMPLE: 3-SERIES AND X3 WORLD CAR REGISTRATIONS



Avg Fitment 19"
 ≈ 60% of the car parc is 18up





5 NEW SUV LINE LAUNCHED IN 2016-2019, 10 FORESEEN IN 2020-2022

47 Source: IHS Markit January 2020; analyzed the last two X3 and 3-Series programs




DRIVER 5: ELECTRIC AND CONNECTED CARS THE KEY TRENDS


MARKET PENETRATION (%) IN PRESTIGE & PREMIUM

	REGISTRATION	PARC
ELECTRIC 	2025E -30%	9%
CONNECTED 	2025E ~all	~52%
SHARED 	2025E n.m.	4%
AUTONOMOUS¹ 	2025E n.m.	n.m.


TYRE MARKET NEEDS




Higher load




Lower Rolling R.



Higher grip




Lower noise




- Monitoring and interaction with car connected devices
- Integrated real-time analysis of tyres and car performance


PIRELLI SOLUTIONS



PORSCHE




RIVIAN




RIMAC

ELECT



ADRENASPORT



CYBER TYRE

- O.E. Partnership with Top-end OEMs and start-up innovators
- Distinctive Marking Strategy to ensure BEV Tyre Replacement with tyre designed for BEVs
- Launched a connected In-Tyre solution for track amateur drivers
- Working with confidential OEM partners on in-tyre Homologated sensors

LONG-TERM TRENDS

R&D and Innovation projects activated

1. Figures refers to autonomous driving levels 4, 5
 Note: "Connected" refers to cars with mobile data connection (e.g. 2G, 3G, LTE), which might be provided by either embedded car systems or car hardware paired with external devices (e.g. smartphone), "Electric" refers to BEV / PHEV
 All data refers to Prestige & Premium cars;
 Source: company analysis on consulting and investment banks research reports



