



BOARD OF DIRECTORS APPROVES 2021 FINANCIAL STATEMENT

- **Consolidated revenue** at EUR 1,110.6 million compared to EUR 912.1 million in 2020 (+21.8%).
 - **Consolidated EBITDA 2021** at EUR 143.7 million, was EUR 123.8 million in 2020.
 - **Net result for the period** was EUR 17.4 million, compared to EUR 2.7 million in 2020.
 - **Net Financial Position** was EUR 407.3 million, up from EUR 454 million in 2020.

Milan, 13 April 2022. Prometeon Tyre Group (PTG) has recorded the best year in its history, with improvement across all main economic and financial indicators.

2021 represents a turning point for PTG, now in its fifth year, and lays the foundations for a strategic plan for further development, the 2021 Consolidated Financial Statement reveals.

Roberto Righi, General Manager of Prometeon Tyre Group, said: "In a market scenario that has been shaped by great uncertainty and volatility, thanks to the efforts of each of our nearly 8,000 employees, PTG has achieved results that allow the Company to enter 2022 with a renewed awareness of its own economic and financial solidity. We are convinced that by working in partnership with all our stakeholders, we will be able to continue on our path of sustainable growth despite a constantly very challenging external context. "

In 2021, PTG was able to grow its **market share** in all its key markets, maintaining margins at the levels of previous years thanks to revenue and cost initiatives implemented in every business area and function, starting from manufacturing, to offset rising inflation.

The global market for all steel tyres grew by around 8% compared to the previous year, and in this sector PTG increased its volumes by more than 15%.

In the **Replacement market**, global demand grew by 10%, following a strong recovery in economic activities and in the demand for transport. PTG's volumes saw an overall increase by approximately 10% compared to the previous year, particularly in Europe and the Americas.



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The **Original Equipment channel** shrank compared to 2020, mainly due to the drop in demand from China, but demand in the rest of the world increased by more than 20%, recovering from the contraction in 2020. Thanks to the collaboration between the Company and the most important vehicle manufacturers in the world, PTG volumes recorded a growth by approximately 40% compared to the previous year.

MAIN ECONOMIC AND FINANCIAL DATA FOR 2021

Revenues increased strongly, supported by the trend in demand and the rise in prices to cope with the costs increase of raw materials and transport, especially starting from the third quarter. Thanks to the careful cost management and continuous effort aimed at maximising profitability, the **EBITDA margin** was kept at around 13%, allowing the Company's EBITDA to grow by more than EUR 20 million compared to 2020.

Prometeon reported a total **revenue** of EUR 1,110.6 million, an increase of 21.8% compared to 2020, which is driven by organic growth, volumes (+15%) and price/mix (+15%), only to be partially mitigated by negative exchange rate effect; the turnover grew by 3.2% compared to 2019, despite the strong negative impact of exchange rate (18%).

The EBITDA amounts to EUR 143.7 million, compared to EUR 123.8 million in 2020 and around EUR 132 million in 2019.

Net result for the period was EUR 17.4 million, compared to EUR 2.7 million in 2020 and EUR 7.9 million in 2019.

Net Financial Position, at EUR 407.3 million, saw a strong improvement compared to EUR 454 million of 2020 and EUR 474 million of 2019, thanks to the contribution of the operating result and the optimisation of working capital with particular reference to the stock level and the management of collections.

The financial position includes a shareholders loan of EUR 258 million, net of which the financial position would be approximately EUR 150 million, slightly higher than the group's EBITDA for the year.

SIGNIFICANT EVENTS IN 2021

Despite the protracted pandemic, 2021 was a year in which all PTG factories reached **maximum production capacity**, guaranteeing sales growth.

In September, **the new and largest Hub of the Company dedicated to Research and Development activities** was inaugurated in Turkey. It is located inside the Izmit plant and it is the result of an investment of 15 million dollars.



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In December, a **Sustainability Linked Loan** for a total value of 350 million euros was signed. The loan is composed of a Term Loan of 200 million euros and a Multicurrency Revolving Credit Facility of 150 million euros, with a duration of three years with one-year extension option. It is dedicated to the refinancing of existing debt and business needs, including new investments. The pricing of the loan is related to the sustainable policies adopted by the Group.

In the fourth quarter, **production capacity increase in Turkey** was also approved, which will lead the plant to an output of more than 1.8 million pieces, supporting the sales growth in the EMEA region; it amounts to a total cost of more than 40 million dollars for the three-year period 2021-23.

2022 OUTLOOK

In a macroeconomic scenario strongly shaped by the ongoing situation between Ukraine and Russia, with significant consequences on the prices of commodities, energy and oil, and on the continuity of supply chain, PTG is continuously monitoring the situation from all points of view and has initiated some mitigation actions. Such actions are also aiming at guaranteeing the Group's compliance with the new international sanctions and maximising its sales and deliveries to customers; at the same time, the Group has implemented all the price increases necessary to maintain its profitability targets.

In 2022, the Group is targeting further growth in turnover and EBITDA, and an increase in investments in order to boost both production capacity and efficiency improvement in our production plants and processes.

In the first months of 2022, two very important initiatives have already been announced: the **launch of the new generation of Serie 02 premium tyres** and the multi-year sponsorship agreement through which PTG has become **Official Sponsor of WorldSBK**.

In March, **the new generation of premium Serie tyres** with the PIRELLI brand was launched. It represents the most important product launch in the history of PTG and is the result of four years of study and 180 million kilometres of testing. Five product lines are available from April throughout the EMEA region. For the first time, a Prometeon long-haul tyre is rated A for fuel consumption. The "Prometeon Engineered" wording appears on all the Serie 02 tyres, confirming the design and production effort of Prometeon Tyre Group and the technological innovations achieved.

At the beginning of April, PTG's first international sponsorship was announced: with a multi-year agreement, Prometeon became **Official Sponsor of WorldSBK**, the FIM Superbike World Championship. The choice of SBK as a showcase for the values of the brand was driven by the synergy with the championship's values: innovation, technology and pursuit of performance. PTG will be present with its own brand on the track edges at all 12 championship rounds, which take place in 10 different countries, and will give life to a customer experience activity aimed at Prometeon customers, who will be able to experience the paddock and the race in a privileged way.



PROMETEON TYRE GROUP

Prometeon Tyre Group is the only tyre company solely focused on the Industrial sector (transport of goods and people), the Agro and OTR segments. Prometeon's is a multi-level offering with a product portfolio that includes the PIRELLI, FORMULA, PHAROS, ANTEO, ERACLE, TEGRYS brands. The Group has four factories (two in Brazil, one in Egypt, and one in Turkey), three Research and Development Centers (Italy, Brazil, and Turkey) and one Development Centre in Egypt. There are around 8,000 people from more than 40 nations working in the Group, across all 5 continents. Since 2019 Prometeon has joined the United Nations Global Compact, which today has 15,500 companies in 165 countries, and in 2020 it was among the founding members of the United Nations Global Compact Network Italy. The PIRELLI, FORMULA and PHAROS brands are used under license.

For further info

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