

Stezzano (BG), 9 May 2023

**BREMBO: Q1 REVENUES UP 12.2% TO €61.9 MILLION
(+11.6% ON A LIKE-FOR-LIKE EXCHANGE RATE BASIS)
EBITDA AT €168.3 MILLION, NET PROFIT AT €76.8 MILLION.**

Compared to Q1 2022:

- **Revenues** at €961.9 million (+12.2%): +11.6% on a like-for-like exchange rate basis
- **EBITDA** margin at 17.5% to €168.3 million; **EBIT** margin at 10.8% to €104.0 million
- **Net investments and increases in leased assets** at €80.1 million
- **Net financial debt** at €506.4 million (€329.0 million prior to the application of IFRS 16), up €4.4 million compared to 31 December 2022

(€ million)	Q1 2023	Q1 2022	Change
Revenue	961.9	857.6	+12.2%
EBITDA	168.3	150.8	+11.6%
% of sales	17.5%	17.6%	
EBIT	104.0	92.9	+12.0%
% of sales	10.8%	10.8%	
Pre-tax profit	105.0	94.8	+10.7%
% of sales	10.9%	11.1%	
Net profit	76.8	71.7	+7.2%
% of sales	8.0%	8.4%	
	31.03.2023	31.12.2022	Change
Net financial debt	506.4	502.0	+4.4
Net financial debt excluding IFRS 16	329.0	260.8	+68.2

Executive Chairman Matteo Tiraboschi stated: “The results of the first quarter of 2023, approved today by the Board of Directors, show a double-digit revenue growth compared to the first quarter of the previous year. All the business segments contributed to this performance, confirming that Brembo is maintaining its technological leading position in the reference market. Within a deeply changing automotive sector, we are investing to consolidate our industrial footprint at global level. In Mexico, the doubling of the production capacity of our Escobedo plant will be completed soon. In China, we will expand the production and research areas of the Nanjing site, while in Poland we are launching a project aimed at building a new, technologically advanced foundry. These three major investments will contribute to our growth and to consolidating our role as a Solution Provider.”

Results for the First Quarter of 2023

Brembo's Board of Directors, chaired by Matteo Tiraboschi, met today, examined and approved the Group's results at 31 March 2023.

Net consolidated revenues amounted to €961.9 million, up 12.2% (+11.6% on a like-for-like exchange rate basis) compared to the first quarter of the previous year.

In the reporting quarter, the Group reported a very positive performance across all its sectors of operation: the car segment rose by 12.9%, motorbike applications by 3.0%, applications for commercial vehicles by 14.0% and racing applications by 23.4% compared to the same quarter of 2022.

At geographical level, sales rose by 4.0% in Italy, by 26.8% in Germany, by 19.7% in France and by 2.4% in the United Kingdom (+3.1% on a like-for-like exchange rate basis).

India grew by 13.8% (+18.8% on a like-for-like exchange rate basis), China declined by 9.1% (-6.8% on a like-for-like exchange rate basis) and Japan grew by 8.7% (+12.0% on a like-for-like exchange rate basis). The North American market (USA, Mexico and Canada) rose by 14.1% (+10.1% on a like-for-like exchange rate basis) and the South American market (Brazil and Argentina) grew by 64.5% (+56.4% on a like-for-like exchange rate basis).

In the first quarter of 2023, the cost of sales and other net operating costs amounted to €636.1 million, with a 66.1% ratio to sales, in line with the same period of the previous year in percentage terms (Q1 2022: €568.0 million or 66.2% of sales).

Personnel expenses amounted to €162.4 million, with a 16.9% ratio to sales, slightly increasing compared to the same period of the previous year (16.7% of sales). At 31 March 2023, Brembo people numbered 15,305, compared to 14,966 at 31 December 2022 and 14,632 at 31 March 2022.

In the reporting quarter, EBITDA amounted to €168.3 million (EBITDA margin: 17.5%), compared to €150.8 million (EBITDA margin: 17.6%) for Q1 2022.

EBIT amounted to €104.0 million (EBIT margin: 10.8%) compared to €92.9 million (EBIT margin: 10.8%) for Q1 2022.

Net interest income for the quarter amounted to €1.0 million (€1.9 million in Q1 2022); this item includes interest expense amounting to €5.1 million (€3.0 million in Q1 2022) and net exchange gains of €6.1 million (€4.9 million in Q1 2022).

Pre-tax profit was €105.0 million (10.9% of sales) compared to €94.8 million (11.1% of sales) for Q1 2022.

Based on the tax rates applicable under current tax regulations in force in each country, estimated taxes amounted to €27.9 million (€23.4 million in Q1 2022), with a tax rate of 26.6% compared to 24.7% for the same period of 2022.

The reporting period ended with a net profit of €76.8 million (8.0% of sales) compared to €71.7 million (8.4% of sales) for the same period of the previous year.

Net financial debt at 31 March 2023 amounted to €506.4 million, up €4.4 million compared to 31 December 2022. Excluding the impact of IFRS 16, net financial debt would have been €329.0 million, up €68.2 million compared to 31 December 2022. It should be noted that the Mexican building subject to expansion works — previously held under finance lease — was acquired in March.

Significant Events After 31 March 2023

The General Shareholders' Meeting of Brembo S.p.A., held on 20 April, approved the Financial Statements at 31 December 2022, allocating net profit for the year amounting to €164.9 million as follows:

- to the Shareholders, a gross ordinary dividend of €0.28 per each ordinary share outstanding with payment as of 24 May 2023, ex-coupon date No. 6 on 22 May 2023, and record date on 23 May 2023;
- the remaining amount carried forward.

Brembo Strengthens its Global Industrial Footprint

Thanks to overall investments of about €500 million, Brembo is growing globally and increasing its production capacity in three key countries on three continents, namely Mexico, China and Poland, through new plants built with a view to digital transformation and sustainability.

In Mexico, Brembo is completing the expansion of its plant specialising in the manufacturing of brake calipers located in Escobedo, in the Nuevo León State. Once fully operational, the plant will enable to double the Company's production capacity in the country.

In China, Brembo will expand its brake system manufacturing plant in Nanjing, strengthening its production capacity in the country. The investment also provides for the renewal of the R&D centre within the said site, with the aim of creating an advanced centre supporting the development of the new technologies required by the Chinese market. Works will begin in the second half of 2023 and the project is expected to be completed by the first half of 2025.

In Poland, Brembo decided to build another cast iron foundry in Dąbrowa Górnicza. The investment will create the most innovative Brembo foundry at global level, which will be endowed with cutting-edge technology, also in terms of sustainability. The first pouring of the foundry is expected in the first half of 2025.

These projects are in addition to the already announced acquisition of the Italcementi property at Kilometro Rosso in Stezzano, expected to be finalised by the end of 2023, which will allow Brembo to expand its headquarters in Italy.

Foreseeable Evolution

The orders backlog for the coming months remain robust at global level; barring significant changes in the current macro-economic and geopolitical context, for the current year Brembo expects an about 10% revenue growth, with margins in percentage terms in line with the previous year.

The manager in charge of the Company's financial reports Andrea Pazzi, declares, pursuant to paragraph 2 of Article 154-bis of Italy's Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Annexed hereto are the unaudited Statement of Income and Statement of Financial Position.

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CONSOLIDATED STATEMENT OF INCOME

<i>(euro million)</i>	31.03.2023	31.03.2022	Change	%
Revenue from contracts with customers	961.9	857.6	104.4	12.2%
Other revenues and income	8.7	5.5	3.2	57.2%
Costs for capitalised internal works	7.4	6.2	1.3	20.3%
Raw materials, consumables and goods	(459.1)	(411.5)	(47.6)	11.6%
Income (expenses) from non-financial investments	4.8	4.6	0.2	5.1%
Other operating costs	(193.1)	(168.2)	(24.9)	14.8%
Personnel expenses	(162.4)	(143.3)	(19.1)	13.3%
GROSS OPERATING INCOME	168.3	150.8	17.5	11.6%
% of revenue from contracts with customer	17.5%	17.6%		
Depreciation, amortisation and impairment losses	(64.3)	(57.9)	(6.4)	11.0%
NET OPERATING INCOME	104.0	92.9	11.1	12.0%
% of revenue from contracts with customer	10.8%	10.8%		
Net interest income (expense)	1.0	1.9	(0.9)	-48.6%
Interest income (expense) from investments	0.0	0.1	0.0	-90.4%
RESULT BEFORE TAXES	105.0	94.8	10.1	10.7%
% of revenue from contracts with customer	10.9%	11.1%		
Taxes	(27.9)	(23.4)	(4.6)	19.5%
Result from discontinued operations	0.0	(0.1)	0.1	-94.2%
RESULT BEFORE MINORITY INTERESTS	77.0	71.4	5.6	7.9%
% of revenue from contracts with customer	8.0%	8.3%		
Minority interests	(0.2)	0.3	(0.5)	-155.7%
NET RESULT FOR THE PERIOD	76.8	71.7	5.2	7.2%
% of revenue from contracts with customer	8.0%	8.4%		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.24	0.22		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

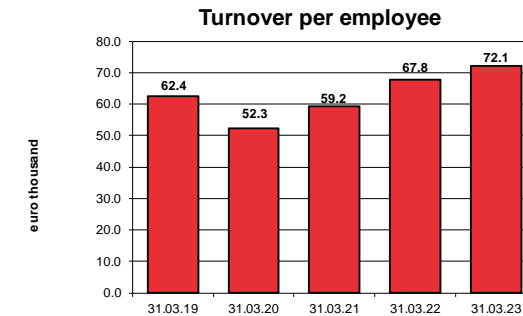
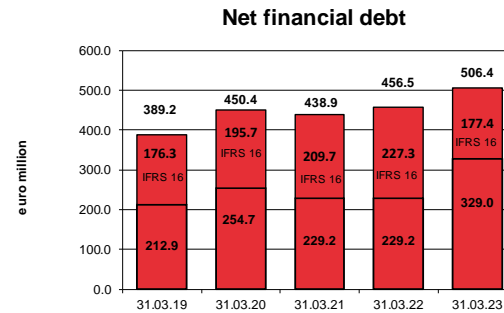
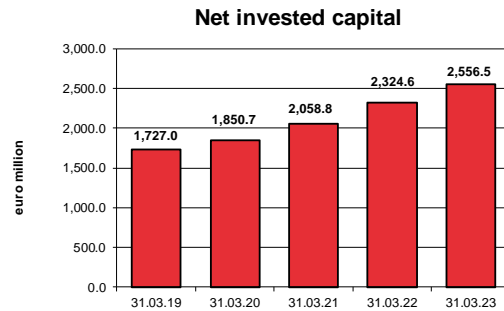
<i>(euro million)</i>	31.03.2023	31.12.2022	Change
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and other equipment	1,197.1	1,125.7	71.4
Right of use assets	179.6	242.1	(62.5)
Development costs	102.1	101.7	0.5
Goodwill and other indefinite useful life assets	122.1	123.2	(1.1)
Other intangible assets	72.5	75.5	(3.0)
Shareholding valued using the equity method	50.7	50.7	0.1
Investments in other companies	262.6	228.1	34.5
Financial instruments	43.2	65.9	(22.7)
Other non-current financial assets	2.7	2.7	0.0
Receivables and other non-current assets	24.1	23.8	0.3
Deferred tax assets	76.5	66.3	10.2
TOTAL NON-CURRENT ASSETS	2,133.3	2,105.7	27.6
CURRENT ASSETS			
Inventories	606.7	586.0	20.7
Trade receivables	691.9	594.3	97.7
Other receivables and current assets	128.6	130.3	(1.8)
Financial instruments	10.9	10.7	0.2
Other current financial assets	1.6	1.9	(0.3)
Cash and cash equivalents	381.3	415.9	(34.6)
TOTAL CURRENT ASSETS	1,821.1	1,739.1	82.0
Non-current assets held for sale	0.2	0.3	(0.1)
TOTAL ASSETS	3,954.7	3,845.1	109.5
EQUITY AND LIABILITIES			
GROUP EQUITY			
Share capital	34.7	34.7	0.0
Other reserves	125.7	158.7	(33.0)
Retained earnings/(losses)	1,754.5	1,427.6	326.9
Net result for the period	76.8	292.8	(216.0)
TOTAL GROUP EQUITY	1,991.8	1,913.9	77.9
TOTAL MINORITY INTERESTS	32.9	33.1	(0.3)
TOTAL EQUITY	2,024.6	1,947.0	77.6
NON-CURRENT LIABILITIES			
Non-current payables to banks	457.8	464.5	(6.7)
Long-term lease liabilities	155.2	153.0	2.2
Other non-current financial payables	1.2	1.2	0.0
Other non-current liabilities	2.5	2.4	0.2
Non-current provisions	21.9	24.0	(2.1)
Provisions for employee benefits	25.7	24.1	1.6
Deferred tax liabilities	32.2	33.6	(1.5)
TOTAL NON-CURRENT LIABILITIES	696.5	702.8	(6.3)
NON-CURRENT LIABILITIES			
Current payables to banks	279.9	241.2	38.7
Short-term lease liabilities	22.2	88.2	(66.0)
Financial instruments	4.1	3.6	0.5
Other current financial payables	0.6	0.6	0.0
Trade payables	713.6	653.2	60.5
Tax payables	19.2	16.1	3.1
Current provisions	1.6	1.6	0.0
Contract liabilities	58.5	56.5	1.9
Other current liabilities	133.8	134.2	(0.5)
TOTAL CURRENT LIABILITIES	1,233.5	1,195.3	38.2
TOTAL LIABILITIES	1,930.0	1,898.1	31.9
TOTAL EQUITY AND LIABILITIES	3,954.7	3,845.1	109.5

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA AND BY APPLICATION

<i>(euro million)</i>	31.03.2023	%	31.03.2022	%	Change	%
GEOGRAPHICAL AREA						
Italy	96.4	10.0%	92.7	10.8%	3.7	4.0%
Germany	195.5	20.4%	154.2	18.0%	41.3	26.8%
France	30.7	3.2%	25.6	3.0%	5.0	19.7%
United Kingdom	49.1	5.1%	48.0	5.6%	1.1	2.4%
Other European countries	127.4	13.2%	106.5	12.4%	20.9	19.6%
India	32.5	3.4%	28.6	3.3%	3.9	13.8%
China	124.6	13.0%	137.1	16.0%	(12.5)	-9.1%
Japan	6.9	0.7%	6.4	0.7%	0.6	8.7%
Other Asian Countries	13.1	1.4%	12.0	1.4%	1.1	9.4%
South America (Argentina and Brazil)	19.6	2.0%	11.9	1.4%	7.7	64.5%
North America (USA, Mexico & Canada)	259.0	26.9%	227.0	26.5%	32.1	14.1%
Other Countries	7.0	0.7%	7.6	0.9%	(0.6)	-8.1%
Total	961.9	100.0%	857.6	100.0%	104.4	12.2%

<i>(euro million)</i>	31.03.2023	%	31.03.2022	%	Change	%
APPLICATION						
Passenger Car	687.9	71.6%	609.3	71.0%	78.6	12.9%
Motorbike	123.3	12.8%	119.7	14.0%	3.6	3.0%
Commercial Vehicle	96.6	10.0%	84.8	9.9%	11.8	14.0%
Racing	53.9	5.6%	43.7	5.1%	10.2	23.4%
Miscellaneous	0.2	0.0%	0.1	0.0%	0.1	225.4%
Total	961.9	100.0%	857.6	100.0%	104.4	12.2%

MAIN RATIOS



	31.03.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023
Net operating income/Revenue from contract with customers	13.0%	8.7%	12.4%	10.8%	10.8%
Result before taxes/Revenue from contract with customers	12.6%	7.4%	12.0%	11.1%	10.9%
Net investments (*)/Revenue from contract with customers	6.0%	6.2%	6.5%	6.3%	7.5%
Net Financial debt/Equity	29.7%	32.7%	27.5%	24.7%	25.0%
Adjusted net interest expense(**)/Revenue from contract with customers	0.6%	0.5%	0.4%	0.3%	0.5%
Adjusted net interest expense(**)/Net operating income	4.4%	5.8%	3.3%	3.2%	4.9%
ROI	19.7%	15.2%	10.4%	12.8%	15.4%
ROE	18.1%	14.8%	10.7%	12.2%	14.8%

Note:

ROI: Net operating income rolling 12 months/Net invested capital.

ROE: Result before minority interests rolling 12 months (net of Result from discontinued operations)/Equity.

(*) Net investments in property, plant, equipment and intangible assets, calculated as the sum total of increases (net of decreases) of property, plant, equipment and intangible assets.

(**) This item does not include exchange gains and losses.