

Stezzano (BG), 7 November 2023

BREMBO: REVENUES GREW TO €2,919 MILLION FOR 9M 2023, +7% (+8.8% ON A LIKE-FOR-LIKE EXCHANGE RATE BASIS) COMPARED TO 2022; EBITDA UP TO €500.2 MILLION, NET PROFIT AT €231.1 MILLION

Results at 30 September 2023:

- **Revenues** at €2,919 million (+7%; +8.8% on a like-for-like exchange rate basis)
- **EBITDA** at €500.2 million (EBITDA margin: 17.1%); **EBIT** at €312.8 million (EBIT margin: 10.7%)
- **Net investments and increases in leased assets** at €252.4 million
- **Net financial debt** at €454.1 million (€282.4 million prior to the application of IFRS 16), down €176.6 million compared to 30 September 2022

(€ million)	2023	2022	Change
Revenue	2,919.0	2,728.2	+7.0%
EBITDA % of sales	500.2 17.1%	482.3 17.7%	+3.7%
EBIT % of sales	312.8 10.7%	303.1 11.1%	+3.2%
Pre-tax profit % of sales	310.1 10.6%	312.4 11.4%	-0.7%
Net profit % of sales	231.1 7.9%	234.8 8.6%	-1.6%
	30.09.23	30.09.22	Change
Net financial debt	454.1	630.7	-176.6
Net financial debt excluding IFRS 16	282.4	405.6	-123.2

Executive Chairman **Matteo Tiraboschi** stated: “The results for the first nine months of 2023, approved today by the Board of Directors, reflect Brembo’s uptrend in an increasingly challenging global context. Despite the general and marked worsening of the macroeconomic and geopolitical scenario, Brembo’s revenues neared €3 billion, up 7%, consolidating the already significant results reported in the first nine months of 2022. The Company confirms its ability to generate positive cash flows and reducing debt, while forging ahead with its ambitious investment plans.

We continue to focus on innovating our solutions and, thanks to our customers’ constant appreciation, we look to the future with confidence, passion and determination.”

Results at 30 September 2023

Brembo's Board of Directors, chaired by Matteo Tiraboschi, met today, examined and approved the Group's results at 30 September 2023.

Net consolidated revenues amounted to €2,919.0 million, up 7.0% (+8.8% on a like-for-like exchange rate basis) compared to the first nine months of the previous year. In the reporting period, the car segment grew by 7.9%, commercial vehicles by 6.9% and racing vehicles by 15.3% compared to the first nine months of 2022; motorbike applications declined by 1.0%.

At geographical level, sales rose by 2.2% in Italy, by 13.8% in Germany, by 7.2% in France and by 1.3% in the United Kingdom (+0.5% on a like-for-like exchange rate basis).

The North American market (USA, Mexico and Canada) grew by 7.5% (+9.3% on a like-for-like exchange rate basis) and the South American market (Brazil and Argentina) increased by 30.6% (+29.6% on a like-for-like exchange rate basis).

India grew by 6.8% (+15.6% on a like-for-like exchange rate basis), China fell by 5.3% (+1.9% on a like-for-like exchange rate basis) and Japan increased by 3.2% (+7.0% on a like-for-like exchange rate basis).

At 30 September 2023, the cost of sales and other net operating costs amounted to €1,930.5 million, with a 66.1% ratio to sales, a percentage slightly decreasing compared to the same period of the previous year (66.3% of sales, equal to €1,807.9 million).

Personnel expenses amounted to €501.1 million, with a 17.2% ratio to sales, increasing compared to the same period of the previous year (16.6% of sales, equal to €451.7 million).

At 30 September 2023, Brembo people numbered 15,674, compared to 15,208 at 30 September 2022 and 14,966 at 31 December 2022.

EBITDA amounted to €500.2 million at 30 September 2023 (EBITDA margin: 17.1%) compared to €482.3 million for the same period of 2022 (EBITDA margin: 17.7%).

EBIT amounted to €312.8 million (EBIT margin: 10.7%) compared to €303.1 million (EBIT margin: 11.1%) for the same period of 2022.

Net interest expense for the period amounted to €14.8 million (net interest income of €1.4 million at 30 September 2022) and included interest expense amounting to €15.1 million (€9.6 million at 30 September 2022) and net exchange gains of €0.3 million (€11.0 million at 30 September 2022). Income from investments for the period was €12.1 million compared to €7.8 million at 30 September 2022.

Pre-tax profit was €310.1 million compared to €312.4 million at 30 September 2022.

Based on the tax rates applicable under current tax regulations in force in each country, estimated taxes amounted to €77.2 million (€76.7 million at 30 September 2022), with a tax rate of 24.9% compared to 24.6% for the same period of the previous year.

The reporting period ended with a net profit of €231.1 million, down 1.6% compared to the same period of the previous year.

Net financial debt at 30 September 2023 amounted to €454.1 million, down €176.6 million compared to 30 September 2022. Excluding the impact of IFRS 16, net financial debt would have been €282.4 million, down €123.2 million compared to 30 September 2022.

Foreseeable Evolution

Despite the significant changes in the global geopolitical and macroeconomic scenario and the effects of UAW (United Auto Workers) strikes in the United States, the Company expects a mid-high single digit increase in revenues for the current year and confirms percentage margins 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, the Statement of Financial Position and the Statement of Cash Flows.

For information: Laura Panseri – Head of Investor Relations Brembo S.p.A.
Ph. +39 035 6052145 @: laura_panseri@brembo.it

Roberto Cattaneo – Chief Communication Officer Brembo S.p.A.
Ph. +39 035 6052347 @: roberto_cattaneo@brembo.it

Daniele Zibetti – Corporate Media Relations Brembo S.p.A.
Ph. +39 035 6053138 @: daniele_zibetti@brembo.it

CONSOLIDATED STATEMENT OF INCOME

<i>(euro million)</i>	30.09.2023	30.09.2022	Change	%	Q3 '23	Q3 '22	Change	%
Revenue from contracts with customers	2,919.0	2,728.2	190.8	7.0%	969.1	981.8	(12.6)	-1.3%
Other revenues and income	23.1	19.3	3.8	19.8%	3.6	5.4	(1.8)	-33.1%
Costs for capitalised internal works	18.4	16.8	1.5	9.2%	5.7	5.5	0.2	3.0%
Raw materials, consumables and goods	(1,382.6)	(1,317.7)	(65.0)	4.9%	(457.5)	(484.3)	26.8	-5.5%
Income (expenses) from non-financial investments	12.9	13.7	(0.8)	-5.9%	3.4	4.5	(1.1)	-23.9%
Other operating costs	(589.4)	(526.3)	(63.0)	12.0%	(203.2)	(185.9)	(17.3)	9.3%
Personnel expenses	(501.1)	(451.7)	(49.5)	11.0%	(164.9)	(149.9)	(15.0)	10.0%
GROSS OPERATING INCOME	500.2	482.3	17.9	3.7%	156.1	177.0	(20.8)	-11.8%
% of revenue from contracts with customer	17.1%	17.7%			16.1%	18.0%		
Depreciation, amortisation and impairment losses	(187.4)	(179.2)	(8.2)	4.6%	(61.3)	(61.4)	0.1	-0.1%
NET OPERATING INCOME	312.8	303.1	9.7	3.2%	94.9	115.6	(20.7)	-17.9%
% of revenue from contracts with customer	10.7%	11.1%			9.8%	11.8%		
Net interest income (expense)	(14.8)	1.4	(16.2)	-1135.9%	(8.1)	(1.5)	(6.6)	437.0%
Interest income (expense) from investments	12.1	7.8	4.2	54.1%	(0.1)	0.0	(0.1)	-371.0%
RESULT BEFORE TAXES	310.1	312.4	(2.3)	-0.7%	86.7	114.1	(27.5)	-24.1%
% of revenue from contracts with customer	10.6%	11.4%			8.9%	11.6%		
Taxes	(77.2)	(76.7)	(0.5)	0.6%	(22.3)	(27.8)	5.5	-19.8%
Result from discontinued operations	(0.1)	(0.3)	0.2	-78.7%	0.1	(0.1)	0.2	-148.8%
RESULT BEFORE MINORITY INTERESTS	232.8	235.4	(2.6)	-1.1%	64.5	86.2	(21.7)	-25.2%
% of revenue from contracts with customer	8.0%	8.6%			6.7%	8.8%		
Minority interests	(1.8)	(0.5)	(1.2)	228.9%	(1.2)	(0.3)	(0.8)	242.4%
NET RESULT FOR THE PERIOD	231.1	234.8	(3.7)	-1.6%	63.3	85.9	(22.6)	-26.3%
% of revenue from contracts with customer	7.9%	8.6%			6.5%	8.7%		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.71	0.73			0.20	0.27		

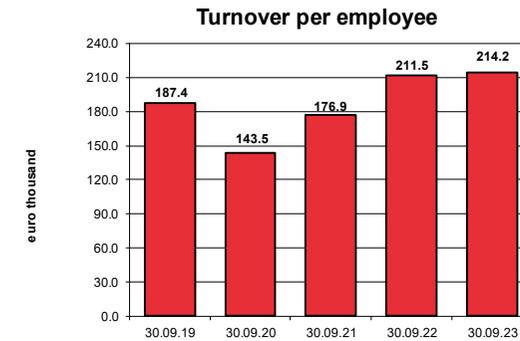
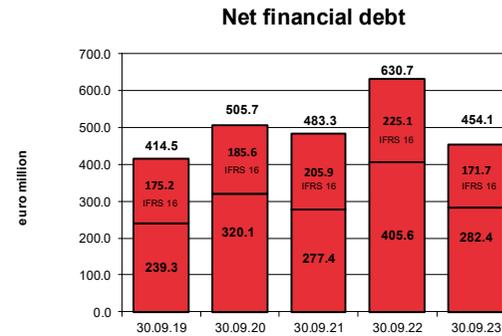
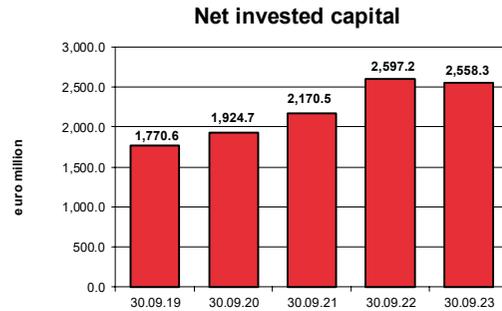
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro million)</i>	30.09.2023	31.12.2022	Change
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and other equipment	1,250.0	1,125.7	124.3
Right of use assets	170.7	242.1	(71.4)
Development costs	103.0	101.7	1.4
Goodwill and other indefinite useful life assets	121.3	123.2	(1.9)
Other intangible assets	76.6	75.5	1.0
Shareholding valued using the equity method	55.9	50.7	5.3
Investments in other companies	259.7	228.1	31.6
Derivatives	35.5	65.9	(30.5)
Other non-current financial assets	2.8	2.7	0.0
Receivables and other non-current assets	18.4	23.8	(5.4)
Deferred tax assets	85.5	66.3	19.3
TOTAL NON-CURRENT ASSETS	2,179.4	2,105.7	73.6
CURRENT ASSETS			
Inventories	606.2	586.0	20.2
Trade receivables	698.3	594.3	104.1
Other receivables and current assets	95.6	130.3	(34.8)
Derivatives	12.5	10.7	1.8
Other current financial assets	2.3	1.9	0.4
Cash and cash equivalents	447.9	415.9	32.0
TOTAL CURRENT ASSETS	1,862.8	1,739.1	123.7
Non-current assets held for sale	0.1	0.3	(0.3)
TOTAL ASSETS	4,042.2	3,845.1	197.1
EQUITY AND LIABILITIES			
GROUP EQUITY			
Share capital	34.7	34.7	0.0
Other reserves	115.4	158.7	(43.3)
Retained earnings/(losses)	1,659.7	1,427.6	232.1
Net result for the period	231.1	292.8	(61.8)
TOTAL GROUP EQUITY	2,040.9	1,913.9	127.1
TOTAL MINORITY INTERESTS	32.7	33.1	(0.4)
TOTAL EQUITY	2,073.7	1,947.0	126.7
NON-CURRENT LIABILITIES			
Non-current payables to banks	419.4	464.5	(45.1)
Long-term lease liabilities	149.7	153.0	(3.3)
Other non-current financial payables	0.8	1.2	(0.4)
Other non-current liabilities	2.8	2.4	0.4
Non-current provisions	20.8	24.0	(3.2)
Provisions for employee benefits	30.6	24.1	6.5
Deferred tax liabilities	36.1	33.6	2.4
TOTAL NON-CURRENT LIABILITIES	660.2	702.8	(42.6)
NON-CURRENT LIABILITIES			
Current payables to banks	339.6	241.2	98.4
Short-term lease liabilities	22.0	88.2	(66.2)
Derivatives	2.7	3.6	(0.9)
Other current financial payables	0.6	0.6	0.0
Trade payables	728.4	653.2	75.2
Tax payables	13.8	16.1	(2.3)
Current provisions	2.1	1.6	0.4
Contract liabilities	61.7	56.5	5.2
Other current liabilities	137.4	134.2	3.2
TOTAL CURRENT LIABILITIES	1,308.3	1,195.3	113.0
TOTAL LIABILITIES	1,968.5	1,898.1	70.4
TOTAL EQUITY AND LIABILITIES	4,042.2	3,845.1	197.1

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA AND BY APPLICATION

<i>(euro million)</i>	30.09.2023	%	30.09.2022	%	Change	%	Q3 '23	%	Q3 '22	%	Change	%
GEOGRAPHICAL AREA												
Italy	277.0	9.5%	271.0	9.9%	5.9	2.2%	82.4	8.6%	81.6	8.3%	0.8	1.0%
Germany	576.3	19.7%	506.4	18.6%	69.9	13.8%	186.9	19.3%	179.7	18.3%	7.2	4.0%
France	91.9	3.1%	85.7	3.1%	6.2	7.2%	30.2	3.1%	33.7	3.4%	(3.5)	-10.4%
United Kingdom	137.5	4.7%	135.8	5.0%	1.7	1.3%	43.0	4.4%	43.3	4.4%	(0.3)	-0.6%
Other European countries	386.4	13.2%	333.4	12.2%	53.0	15.9%	124.5	12.8%	113.7	11.6%	10.7	9.4%
India	103.4	3.6%	96.8	3.5%	6.6	6.8%	36.7	3.8%	35.8	3.6%	1.0	2.7%
China	395.4	13.6%	417.4	15.3%	(22.0)	-5.3%	135.5	14.0%	164.1	16.7%	(28.6)	-17.5%
Japan	18.9	0.6%	18.3	0.7%	0.6	3.2%	6.5	0.7%	6.6	0.7%	(0.1)	-1.5%
Other Asian Countries	35.0	1.2%	40.8	1.5%	(5.9)	-14.4%	12.0	1.2%	14.4	1.5%	(2.4)	-16.6%
South America (Argentina and Brazil)	61.6	2.1%	47.2	1.7%	14.4	30.6%	21.6	2.2%	19.7	2.0%	2.0	10.0%
North America (USA, Mexico & Canada)	810.8	27.8%	754.0	27.7%	56.7	7.5%	279.9	28.9%	282.2	28.8%	(2.3)	-0.8%
Other Countries	25.0	0.9%	21.4	0.8%	3.6	17.0%	9.9	1.0%	7.0	0.7%	2.9	40.5%
Total	2,919.0	100.0%	2,728.2	100.0%	190.8	7.0%	969.1	100.0%	981.8	100.0%	(12.6)	-1.3%
APPLICATION												
Passenger Car	2,130.9	73.1%	1,974.2	72.3%	156.7	7.9%	724.2	74.7%	723.0	73.7%	1.2	0.2%
Motorbike	358.9	12.3%	362.4	13.3%	(3.5)	-1.0%	111.7	11.6%	124.0	12.6%	(12.3)	-9.9%
Commercial Vehicle	284.6	9.7%	266.2	9.8%	18.4	6.9%	88.5	9.1%	92.1	9.4%	(3.6)	-3.9%
Racing	144.3	4.9%	125.1	4.6%	19.2	15.3%	44.8	4.6%	42.6	4.3%	2.2	5.1%
Miscellaneous	0.3	0.0%	0.2	0.0%	0.0	13.9%	0.0	0.0%	0.1	0.0%	(0.1)	-111.1%
Total	2,919.0	100.0%	2,728.2	100.0%	190.8	7.0%	969.1	100.0%	981.8	100.0%	(12.6)	-1.3%

MAIN RATIOS



	30.09.2019	30.09.2020	30.09.2021	30.09.2022	30.09.2023
Net operating income/Revenue from contract with customers	12.6%	7.1%	11.0%	11.1%	10.7%
Result before taxes/Revenue from contract with customers	12.0%	5.9%	10.9%	11.4%	10.6%
Net investments (*)/Revenue from contract with customers	7.2%	6.7%	6.9%	7.4%	8.1%
Net Financial debt/Equity	31.1%	36.3%	29.0%	32.4%	21.9%
Adjusted net interest expense(**)/Revenue from contract with customers	0.6%	0.7%	0.4%	0.4%	0.5%
Adjusted net interest expense(**)/Net operating income	4.5%	9.3%	3.6%	3.2%	4.8%
ROI	18.5%	9.3%	13.6%	14.2%	15.3%
ROE	17.0%	9.2%	14.1%	14.5%	14.0%

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.