# Brembo N.V.

## "9M 2026 Results Conference Call"

## Thursday, November 5, 2026, 14:30 CET

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DANIELE SCHILLACI, CHIEF EXECUTIVE OFFICER

ANDREA PAZZI, CHIEF FINANCIAL OFFICER

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OPERATOR: Good afternoon, this is the Chorus Call conference operator. Welcome and thank you for joining the conference call on 9M 2026 Brembo Results. As a reminder, all participants are in a listen-only mode. After the presentation, there will be an opportunity to ask questions. Should anyone need assistance during the conference call, they may signal an operator by pressing "*" and "0" on their telephone.

At this time, I would like to turn the conference over to Laura Panseri, Investor Relations Senior Manager. Please, go ahead, madam.

LAURA PANSERI: Yes, good afternoon, good morning. Welcome to Brembo Group's Results conference call for the first nine months of 2026. Thank you for joining us today.

With me today are Matteo Tiraboschi, Executive Chairman, Daniele Schillaci, Chief Executive Officer, Andrea Pazzi, Chief Financial Officer, and Roberto Grazioli, Chief Business Development and IR Officer. Andrea Pazzi will begin with an overview of our financial performance for the first nine months and the third quarter of 2026. We will then open the call to questions from analysts.

The accompanying presentation is available in the Investor Relations section of our corporate website, www.brembogroup.com. Before we begin, please note that during this call, we will discuss our business outlook and make forward-looking statements based on our current expectations. These statements are subject to risks and uncertainties that can cause the actual results to be materially different.

Please also note that this call is being recorded. With that, I will now hand the call over to Andrea.

ANDREA PAZZI: Thank you, Laura. Good afternoon, everyone, and thank you for joining us today. Let me take you through the key financial results for the first nine months of 2026. The results confirmed Brembo's ability to deliver growth and solid profitability in a challenging market environment.

Revenues reached almost €2.9 billion, increasing by 3.3% compared with the same period of last year. Excluding foreign exchange effect, growth was even stronger at 4.5%. This performance was supported by our diversified business portfolio with motorcycle and commercial vehicle applications being the strongest contributors, both delivering double-digit growth.

Profitability remained solid. EBITDA reached €475 million, up 2.6% year-on-year, with a margin of 16.5% on revenues, reflecting our continued focus on cost discipline. Net profit increased by 7.7% to €175 million, confirming our ability to translate revenue growth into improved bottom-line performance.

Our financial position also continued to strengthen. Thanks to the disciplined cash generation, net debt decreased by €119 million compared to September 2025, further improving the group's financial position.

Looking specifically at the third quarter, the positive revenue trajectory continued, with sales increasing by 5.3% to €962 million. EBITDA amounted to €158 million, corresponding to a margin of 16.5%, while the net profit was €57.7 million. The comparison is against a particularly strong net profit result in the third quarter of 2025, which has benefitted from favorable non-recurring factors. Overall, the first nine months of the year showed continued revenue

growth, resilient profitability, and further improvement in our financial position, despite a demanding operating environment. Thank you for your attention, and now we can take your questions.

Q&A

OPERATOR: This is the Chorus Call conference operator. We will now begin the question and answer session. Anyone who wishes to ask a question may press "*" and "1" on the touchtone telephone. To remove your question, please press "*" and "2". Please pick up the receiver when asking questions.

The first question is from Martino De Ambroggi of Equita. Please go ahead.

MARTINO DE AMBROGGI: Thank you, good afternoon everybody. My first question is on the operating performance in Q3, which was penalised by 17 million of operations, that used to include a lot of things. But I remember you mentioned in the previous call, Sensify startup costs and an issue for, I don't know exactly what, in a plant. Could you share with us which are the components of this 17 million penalising Q3 EBITDA and clarify if the issue for the plant is now fixed.

Number two is on your guidance, because you are guiding ex-FX, but FX will be very likely positive in Q4. So maybe at this point in time you have a clearer picture of what could be obviously. There is still a couple of months, but what is your assumption for the FX, the most reasonable one.

And third, I perfectly know you are not willing to share with us the name and many details, but the second customer adopting Sensify, when should they start with mass production next year. And for

Greentell, just a very rough indication on what is the hit ratio among the clients you already have for the normal discs and moving to the coated discs. I don't know if it's 100% or something similar for the future. Thank you.

DANIELE SCHILLACI: Thank you, Martino. On your first question, the €17 million operational impact you referred to relates mostly to the issues at our plant in Mexico, which we discussed during the July call. We continue to monitor the situation closely. We had expected to improve operations in Q3. However, events in the Monterrey area, including the World Cup and major investment in new metro lines and infrastructures, were accompanied by frequent power outages and voltage fluctuations over the summer, which slowed production at our plants. As a result, we incurred additional logistics costs to ensure continuity of supply to our customers. These disruptions generated the significant costs you referred to. We remain focused on improving operations and are seeing an encouraging trend. We hope to bring the situation under control by year-end, positioning us for a solid start to 2027.

On guidance, we confirm an EBITDA margin of 16.5%. Foreign exchange had a positive impact in Q3, and we expect a slightly positive contribution in Q4. Our full-year guidance remains revenue growth of around 5%, with an EBITDA margin of 16.5%.

Regarding Sensify, production for the second customer is scheduled to start in H1 2027. As for Greentell, our coated disc solution, adoption is determined on a platform-by-platform basis rather than as a fixed percentage of a customer's total volumes. We expect the share

of vehicles equipped with Greentell within each OEM's portfolio to increase over time, although it is unlikely to reach 100%.

MARTINO DE AMBROGGI: Thank you, Daniele. Sorry for the follow-up on the operations question. You mentioned that this will be fixed by year end, so embedded in your guidance, there should be another €10-plus million of negative impact from this, very, very roughly.

DANIELE SCHILLACI: No, we expect a smaller impact in Q4. The power supply is now more stable, and our operational performance has been improving since September. We still expect some negative impact, but not of the magnitude you mentioned.

MARTINO DE AMBROGGI: Okay. Thank you, Daniele.

DANIELE SCHILLACI: You are welcome.

OPERATOR: The next question is from Andrea Balloni of Mediobanca. Please, go ahead.

ANDREA BALLONI: Good afternoon, everybody. Thanks for taking my question. My first one is on Sensify. I was wondering if you can give us an idea about the progression over 2027, if this is something related already to the first half or more back-end loaded in terms of progression. My second question is on cost inflation.

We know you have a good pricing power, but I was wondering if you might give us an idea about any potential erosion in terms of margin. And my last question is on CAPEX. Your current guidance points to 350 million, while you reported only 200 million in nine months, implying 150 million in Q4. Can you give us some color on what's behind Q4 CAPEX? Thank you.

DANIELE SCHILLACI: Thank you, Andrea. On Sensify, as you mentioned, we expect a ramp-up during the first half of 2027, with a more meaningful and consistent contribution from H2 onwards. We expect a similar pattern for our coated disc (Greentell) business.

Regarding cost inflation, we are closely monitoring logistics costs, particularly in light of the conflict in the Middle East. Oil prices have reached $110, although they have eased slightly since yesterday. This has an impact on logistics costs, which we need to manage, whereas raw material cost increases are passed through to our customers.

On CAPEX, I'll hand over to Andrea.

ANDREA PAZZI: Yes, you are right on CAPEX. As usual, we expect a significant investment outlay in the fourth quarter, currently estimated at €150 million. This includes capitalised R&D costs and right-of-use assets under IFRS 16. We are also completing our new plants, with the final payments for machining equipment. We therefore confirm our full-year CAPEX expectation of €350 million.

ANDREA BALLONI: Thank you.

OPERATOR: The next question is from Monica Bosio of Intesa Sanpaolo. Please, go ahead.

MONICA BOSIO: Good afternoon, everyone. Thanks for taking my questions. I have three. The first is on the group performance in China and in USA in the third quarter. The company reported a minus 4.4% decline in China, if I have seen well, which is not so bad considering the situation in China. And it was highly positive in USA in the third quarter.

Can you please comment on your order trend in China and what do you expect for the group revenues in China in the fourth quarter and also in the USA? And I'm just wondering if the company is exposed to Chinese carmakers exports or in the future if the company sees some opportunities coming from Chinese carmakers manufacturing in Europe. This is the first question.

The second one is if you see any potential development for Sensify in other business such as motorcycles or commercial vehicles in the short, mid-terms.

And the third is housekeeping questions. The third quarter was impacted below the EBIT line positively from a capital gain. I was wondering if you can give us a rough indication of the total financial net expenses by year end. Thank you very much.

DANIELE SCHILLACI: Thank you, Monica. We clearly see Chinese carmakers' exports to Europe and their likely localisation of production in the region as an opportunity for Brembo.

Turning to China, excluding production for export, the domestic market has declined by more than 20% this year. Against this backdrop, we are significantly outperforming the domestic market, supported by two main drivers. First, we are gaining market share with local OEMs. While our presence in China has historically been built around European and American manufacturers, local players now account for a growing share of our customer portfolio. Second, our aftermarket business is performing very well in China this year. We are also winning important new customers in the motorcycle segment.

Turning to the US, we are pleased with our performance this year despite the challenging environment. The aftermarket is one of the main drivers, while our passenger car foundation brake business is also performing well, both in terms of orders and sales.

On your question about the medium-term potential for Sensify beyond passenger cars, we are currently in detailed discussions regarding applications for motorcycles and light commercial vehicles. As I have often said, Sensify is an intelligent braking system that can be applied across all forms of mobility.

ANDREA PAZZI: Finally, below EBIT, net financial expenses were almost flat (minus €0.8 million in Q3). This included a positive contribution of €3.9 million from our investments, of which €3.4 million related to a capital gain on the disposal of a minority stake held through Brembo Ventures. This contribution was offset by negative foreign exchange effects, which typically move in the opposite direction to the currency translation impact on revenues. The overall negative foreign exchange impact was €4.2 million in Q3, while interest expense on debt remained broadly stable, increasing by €0.6 million. Approximately 50% of our debt is at fixed rates, also through hedging, which currently limits our exposure to rising interest rates.

MONICA BOSIO: Okay, if I may just follow up on two questions. So, regarding China, Daniele, can we expect in the fourth quarter a similar performance? So, with Brembo still outperforming the Chinese car market, so limiting the downside. And on the financials, maybe I didn't get just a rough number for the full year, because I understood that the third quarter was impacted by some one-off, but I struggle to get the number for the full year. Thank you very much.

DANIELE SCHILLACI: In China, Q4 is typically the strongest quarter due to seasonality, and its performance will also provide an indication of market momentum heading into 2027. Based on our current order book, we expect our performance in China in Q4 to be broadly similar to Q3.

Regarding the other question, Andrea?

ANDREA PAZZI: For the full year, excluding the non-recurring capital gain and any foreign exchange effects, we expect financial costs of around €36 million, compared with €28 million in the first nine months. This assumes a broadly similar run rate in Q4.

OPERATOR: The next question is from Nikita Papaccio of Deutsche Bank. Please go ahead.

NIKITA PAPACCIO: Good afternoon. Thank you for taking my questions. I would have also a few more left. The first one is on Sensify. I mean the first SOP started this year. How is it developing so far? What are your first experiences here? Would be super interesting to get some insights. And also if you have already won new customers. I mean the second SOP is for H1 2027, as you said, but even beyond, if you have some more color here.

The second one is on your energy cost. I mean you said cost inflation, the raw material, you have a good pass-through contracts, but logistical costs will be an impact. How about energy?

And the third one is on your aftermarket business. I mean we are seeing clearly that it's progressing nicely quarter by quarter. What do you expect for Q4? And do you think that 20% for the full year is now very ambitious? Thank you.

DANIELE SCHILLACI: On Sensify, I can confirm that there will also be a start of production beyond 2027. Our first project is progressing fully in line with our plan, and we are satisfied with how things are developing with the customer.

Turning to the aftermarket, this has been a very good year for Brembo. We expect Q4 performance to be broadly in line with the first nine months, bringing the aftermarket's share of full-year revenues very close to 20%, not exactly there, but very close to 20%. More important for us is the trajectory, which remains very positive, with the aftermarket accounting for a growing share of our business.

On energy costs, if I have understood your question correctly, these are passed through to our customers under a structured process with automatic adjustment clauses. There is, of course, a time lag before these adjustments take effect.

OPERATOR: The next question is from Giovanni Selvetti from Berenberg. Please go ahead.

GIOVANNI SELVETTI: Okay, thank you for taking my question. I understand that you confirmed this guidance of 150 million in Q4, and I understand the seasonality, but it still seems quite high. So, if you can maybe articulate a bit more of how you're going to invest these 150 million across the factories that you have.

And the second question is really on Sensify. In your previous earnings call, you suggested that Sensify in revenues in 2027 will be interesting. I know that you don't want to give too many details about it, but I was wondering if you could kind of tell us at least if it's going to be above or below 50 million. Thank you.

DANIELE SCHILLACI: We expect Sensify's revenue contribution to exceed €50 million in 2027, provided customer volumes are in line with what we have discussed with them, which we believe will be the case.

Regarding your first question, Andrea?

ANDREA PAZZI: On CAPEX, let me confirm our expectation of €150 million in Q4. The largest component relates to completing our manufacturing footprint in Mexico and Poland, and China. R&D investment will account for around €50 million in the quarter. Together, these investments across our global footprint bring the total to €150 million.

GIOVANNI SELVETTI: Okay, very clear. Thank you very much.

OPERATOR: The next question is from Gianluca Bertuzzo from Intermonte. Please, go ahead.

GIANLUCA BERTUZZO: Hello, everybody. First question is on Sensify. From a customer standpoint, is the Sensify ramp-up dependent on specific regulatory approvals that are still needed by the client or the regulatory framework in place today is already okay for the ramp-up of your client?

Still on Sensify, the contribution you expect in 2027 is largely dependent on one specific customer or it will be spread across the customer base?

Last question is on China. If my numbers are correct, essentially three quarters of China's production is realized by local players. What is the split of your revenues in China between local and global OEMs? Thank you.

DANIELE SCHILLACI: On Sensify, the estimate I provided earlier reflects contributions from more than one customer.

On your third question, we do not disclose the share of our revenues generated by local Chinese OEMs.

Regarding your first question, Sensify is an intelligent braking system that can be fitted to any vehicle, provided the vehicle has been approved by the relevant authorities. That is all I can say at this stage.

GIANLUCA BERTUZZO: Okay, thank you.

DANIELE SCHILLACI: Thank you.

OPERATOR: The next question is a follow-up of Martino De Ambroggi of Equita. Please go ahead.

MARTINO DE AMBROGGI: Thank you. Two more questions. In the last call, you mentioned the portfolio was very solid entering the second half of the year. If I ask you, what is the visibility entering 27 of your portfolio?

The second is still related to the operations, penalizing the operating performance. If I adjust Q3, taking into account these extra costs, it is in excess of one percentage point higher EBITDA margin. My question is, should we consider it as a reasonable starting point for next year profitability, excluding any additional issues for the Mexican plant?

DANIELE SCHILLACI: Our reliable order visibility extends to around three months, giving us a solid view of Q4. Despite the challenging environment, our order book remains solid. For 2027, we should have a clearer picture in December, once we see customer call-offs for January and February. IHS forecasts a slight market increase in 2027 compared with 2026,

suggesting a potentially positive start to the year, although it is still too early to assess Q1.

On operations, you are right. Without the issues at our plants, Brembo would have achieved an EBITDA margin above 17% this year. This reflects the underlying profitability of the business. We are currently working through our budgeting process, so it is too early to comment on next year's outlook.

MARTINO DE AMBROGGI: If I may very last on prices, which contributed with more than two percentage points on sales in Q3. Could you elaborate on what is the trend of prices, renegotiations and so on going ahead?

DANIELE SCHILLACI: In Q3, the pricing contribution was €23.5 million higher than in H1. As you may have already calculated, this reflects raw material price increases passed through to our customers. We would expect pricing to make a positive contribution in Q4 as well.

MARTINO DE AMBROGGI: Okay, thank you.

OPERATOR: The next question is from Anthony Dick of Oddo BHF. Please go ahead.

ANTHONY DICK: Yes, good afternoon and thanks for taking the question. It is on Sensify again. Firstly, on the current two contracts that you signed and are entering production, could you tell us when you expect to reach full ramp-up on these contracts? The first one is already started, but I guess that is also quite a gradual ramp-up on that platform. The second is a more traditional ramp-up of maybe six months to one year and then reaching full mass production volumes.

Also, you mentioned there would be some SOPs beyond 2027. Was that just a general comment or does that mean you have also signed additional contracts since then? In general, where do you stand in terms of contract signs on that product? Thank you.

DANIELE SCHILLACI: We expect to reach full production volumes under the Sensify contracts already signed in 2028. Each OEM has its own start-of-production schedule: the first customer started this year, the second will start in 2027 and another one in 2028. The ramp-up will therefore be phased across these customers. We expect Sensify's revenue contribution to become clearly visible in 2028 and to continue increasing thereafter.

ANTHONY DICK: Okay, thank you. So, there is a customer number 3 already signed in the books?

DANIELE SCHILLACI: There are customers in the plural, yes.

ANTHONY DICK: Okay, all right. Thank you very much.

DANIELE SCHILLACI: Thank you.

OPERATOR: The next question is a follow-up of Giovanni Selvetti of Berenberg. Please, go ahead.

GIOVANNI SELVETTI: Hello, yes. Maybe an update on M&A, if there are any updates you want to share with us today, especially considering that the net debt is coming down and probably CAPEX should be lower in 2027. You have, let's just say, more cash flows to deploy for M&A activities. If there is anything you want to share with us.

ROBERTO GRAZIOLI: Thank you, Giovanni. Roberto speaking. As we already mentioned several times, yes, we are active on studying what's available in the

market on the industry for M&A. There is nothing really actionable at the moment, but we keep an eye on our perimeter made of braking, suspension, software, mechatronics. All in all, what you said is true, we are improving our generation of cash, we have availability for M&A potentially, but that doesn't mean that there is something really actionable at the moment.

GIOVANNI SELVETTI: Okay, thank you.

OPERATOR: The next question is a follow-up of Monica Bosio of Intesa Sanpaolo. Please, go ahead.

MONICA BOSIO: Yes, thank you very quickly. I was wondering if you can share with us some thoughts about your joint venture with Ningbo SafeBreak in India. If I remember well, the addressable revenue opportunity has been indicated in the range of €100 million. Is it correct and when should we expect the joint venture will start to contribute to the group net revenues? Thank you very much.

DANIELE SCHILLACI: Yes, we have a joint venture in India with our partners Ningbo Safe Brakes Systems. The government is currently defining the homologation requirements for motorcycle ABS systems. In the meantime, we are working with our partners to be ready to capture the opportunity once the requirements are finalised. As you correctly recall, the potential addressable market is around €100 million, and we aim to capture a share of it. However, we do not expect a contribution in 2027. I would be surprised if it came that early, as we are still awaiting confirmation of the legislation..

MONICA BOSIO: Okay, longer. Thank you. Thank you very much.

OPERATOR: For any further questions, please press "*" and "1" on your telephone. Management, there are no more questions registered at this time.

LAURA PANSERI: Perfect. Thank you for joining us today and for your continued interest in Brembo. We wish you a pleasant rest of the day. Thank you. Bye.

DANIELE SCHILLACI: Thank you and goodbye.

MATTEO TIRABOSCHI: Thank you, everyone. Goodbye.

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