

Pininfarina's strategic vision at Investor Day

New company structure: Pininfarina Engineering is born while Pininfarina Extra is merged by incorporation into Pininfarina SpA

Presence in America strengthened with the start of activities at the design center in Los Angeles

Milan, 4 September 2018 – **Pininfarina's Investor Day** was held today in Piazza Affari on the occasion of Italian Equity Week organised by Borsa Italiana. CEO **Silvio Pietro Angori** and CFO **Gianfranco Albertini** met with the financial community to share their strategic vision and the new positioning of the Company in the light of recent operations, as well as the financial highlights for 2018 and the outlook for the future.

"Today we are able to tell the financial community about the 'new Pininfarina', explained CEO Angori. "The Company's financial situation is already completely different to what it was ten years ago; the set-up has changed as has the business model. The metamorphosis has involved a different corporate structure and a much lighter and more flexible organisation, a new strategic orientation with the focus on design and engineering services and a geographical presence focused on Europe, China and the United States".

"The strength of Pininfarina today", added Angori, "lies in its independence. We have strong ownership (the Mahindra Group at 76%), while revenues come from the market. In fact, in recent years we have acquired important long-term orders with customers of primary importance in the automotive sector as well as in the industrial design, architecture and nautical areas. Our challenge now is to keep on enhancing the value of the brand, aiming to further consolidate ourselves as a luxury brand and take advantage of the ongoing radical changes in the design world, in all areas in which Pininfarina operates".

The reorganization strategy of the Group's corporate structure involved, on the one hand, the decision to create **Pininfarina Engineering** and, on the other, the merger by incorporation of **Pininfarina Extra**.

"With the new set-up that sees Design and Engineering in two specific and distinct "Legal Entities"", commented Angori, "we aim to shorten the control chain in design and centralise our sales strategies in order to achieve financial and economic benefits deriving from the optimisation of the structure and its costs".

On July 1st, 2018, a new company called **Pininfarina Engineering S.r.l.**, a wholly-owned subsidiary of Pininfarina S.p.A., became operational. The newly established concern takes in the engineering activities carried out by Pininfarina SpA, in part directly and in part through its subsidiary Pininfarina Deutschland Holding GmbH. Under the guidance of the General Manager and Group's Technical Director, Gino Mazzucco, it employs about 450 people in Italy and Germany. The creation of a special company brings greater management efficiency as a result among other things of the better integration between the technical and human resources already present and operating in Italy and Germany and of the Tech Mahindra Group in India.

Further, on 2 August last, the Boards of Directors of Pininfarina S.p.A. and Pininfarina Extra S.r.l. (a company wholly owned by the Group Parent) approved a plan to **incorporate Pininfarina Extra S.r.l.**, the company division that controls the industrial design, architecture and interiors, and transportation design businesses, into **Pininfarina S.p.A.**



At Investor Day, Pininfarina also announced that it will be strengthening its strategic presence in the American market with the start of activities at the **new design center in Los Angeles**. The new offices have been set up with the aim of growing Pininfarina's market share and brand recognition in North America. And they are instrumental in guaranteeing design services business in all sectors.

The Californian design center is part of **Miami-based Pininfarina of America**, that has been working for five years on the development of projects in Industrial and Interior Design, Architecture, Consumer Goods and Electronics, and Transportation.

"California", explained Angori, *"is becoming the hub of all innovation in the automotive and industrial design sectors, with a high concentration of start-ups, leading-edge entrepreneurs, pilot projects and investors who support, for example, the gold mine that is the autonomous driving. It's the place to be because Pininfarina has always ridden the wave of change and anticipated future trends. That's where Pininfarina can grow exponentially, by offering the best design solutions for the automotive and transportation industries, as well as product design and architecture"*.

Lastly, Chief Financial Officer Gianfranco Albertini explained that the financial stability the Pininfarina Group has now achieved is reflected in the early figures for 2018: *"Our half-year report shows a growth in the value of production of almost 40% thanks to the automotive sector, shareholders' equity of 62 million euros and debt of 38 million euros, with a positive net result and an EBITDA of 12%. 2017 was the first year to show a profit after 14 years, at just over one million, net of extraordinary finance operations that featured in some difficult years. Revenues in 2017 were 87 million and these will continue to grow in 2018"*.

Below are the key financial figures of the Pininfarina Group as at the first six months of 2018 and 2017:

(€/million)	30 06 2018	30 06 2017	31 12 2017	Variation*
Value of Production	55,3	39,6		15,7
Ebitda	7,0	2,2		4,8
Ebit	5,1	0,7		4,4
Gain/Loss for the period	3,1	-0,6		3,7
Net Financial Debt	3,8	8,3	12,0	-8,2
Equity	62,3	56,5	58,8	3,5

* Variations in the statement of financial position and equity figures relate to the corresponding figures at 31 December 2017.

EBITDA is the operating profit or loss gross of amortisation, depreciation, provisions, impairment losses, reversals of impairment losses and utilisation of provisions. EBIT is the operating profit or loss.

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