



# Piaggio Aero Industries S.p.A. in Extraordinary Administration

## INVESTMENT OPPORTUNITY The Company at a Glance

Villanova d'Albenga, 24 April 2020

# The Businesses

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## Business Aviation



Design, development, production and maintenance activities on business and special mission aircraft



## Defence & Security



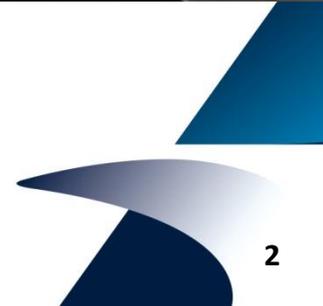
Design, development, production and maintenance activities on Unmanned Aerial Systems (UAS) and on Multirole (manned) Patrol Aircraft (MPA)



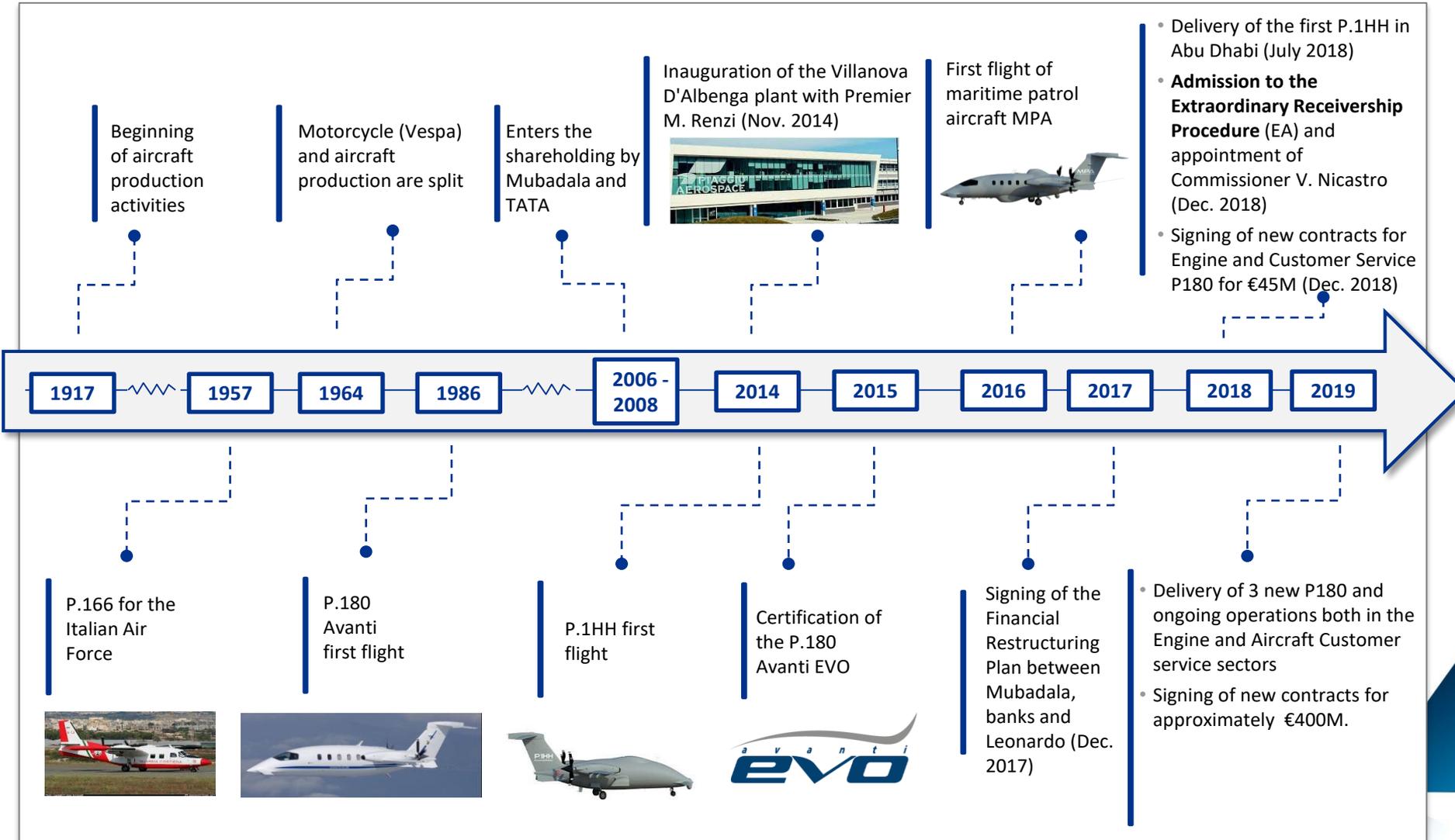
## Engines



Production, assembly and maintenance on aero engines



# Timeline



# Why Piaggio is a unique investment opportunity



## The Envisaged Transaction

- **Sale of assets only:** tangible, intangible and inventory.
- **No liability will be transferred** except for severance indemnity fund and personnel related debt.
- **State-of-the-art industrial plant** inaugurated in 2014, strategically located for direct access to the Villanova d'Albenga airport.
- **Appropriate Personnel size** reached during Extraordinary Receivership.

## 3 years revenue stream secured by approx. 900 €M backlog

- Constant growth in revenues stream for the next 3 years, secured by a backlog of 515 €M, of which 449 €M signed during Extraordinary Receivership.
- Upcoming order intake of additional 386 €M (out of which 346 €M with Institutional customers) will raise backlog to approx. 900 €M.

## Wide range of products

- Development, production, sale and maintenance activities for
  - ✓ **P180**, fully developed
  - ✓ **P1HH** (UAS), almost developed
  - ✓ **MPA** (Multirole Patrol Aircraft) partially developed
- Maintenance of helicopter and aircraft engines.
- Manufacturing, Assembly and Testing of Engine parts.

## Piaggio uniqueness

- Long term customer relationships
- Best-in-class product and service quality standards.
- Skilled engineers with a wide range of capabilities in all the technical areas.
- Efficiency driven processes and full requalification from customers and third parties.

## Market

- High potential niche market, with quality standards and regulatory requirements generating high barriers to entry.
- Defense and institutional spending sustained by current geopolitical and social trends, as confirmed by recent contracts.
- Outstanding positioning as a supplier to selected Governments.

## Future development

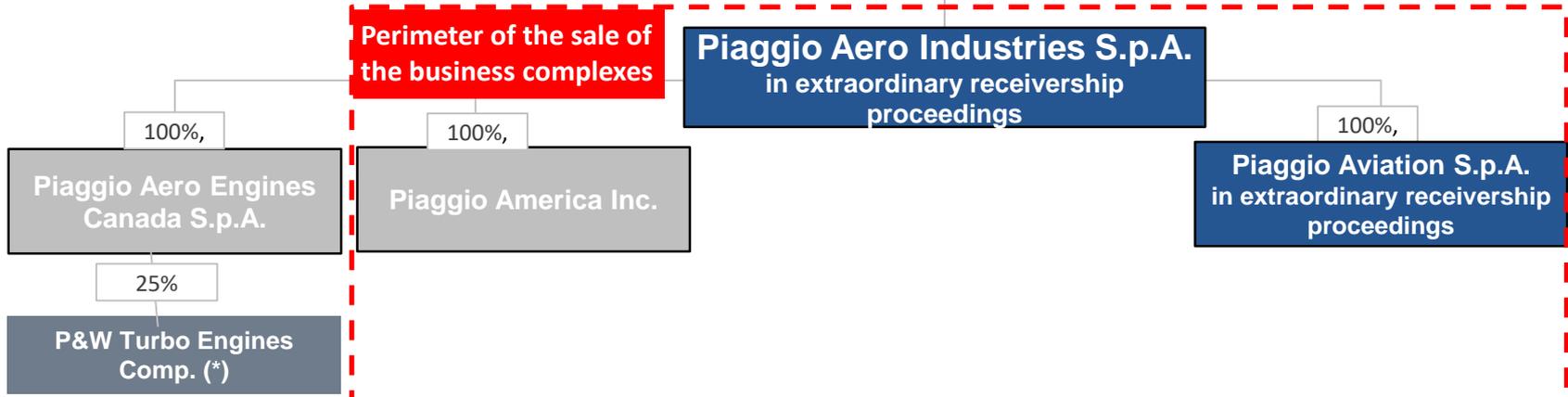
- The mix of manufacturing and MRO businesses makes Piaggio a resilient and growing business in the long term.
- Limited capex requirements due to recent plant relocation, with additional growth potential.
- Opportunity to increase easily market share by launching new P.180 derivative products.

# Group Overview



## Legal Entities

Mubadala Development  
 Dispossession from Shareholders after  
 MBO P.A. Consorzio U.A.  
 24 Extraordinary receivership



Perimeter of the sale of the business complexes

24 Piaggio Aero Industries S.p.A. in extraordinary receivership proceedings

100% Piaggio Aviation S.p.A. in extraordinary receivership proceedings

## Location

- Villanova d'Albenga
- West Palm Beach
- Villanova d'Albenga
- Genova,
- Pratica di Mare, Ciampino and Viterbo
- Trapani
- Villanova d'Albenga

## Personnel

- Nr 0
- Nr 4
- ~ Nr 958
- ~ Nr 21



# Business Units

## AVIATION

## ENGINE

### DEVELOPMENT

### PRODUCTION & SALE

### CUSTOMER SERVICE

### MANUFACT. & ASSEMBLY

### MRO

#### P 180 AVANTI EVO



% completion

Development, production and commercialization of turboprop business aircraft (P.180 Avanti EVO).



- Customer support;
- Maintenance and support services

#### P1HH



% completion

Development, production and sale of an unmanned aircraft system (P1HH).



- Integrated Logistic Support (ILS)

#### MPA (Multirole Patrol Aircraft)



% completion

Development, production and sale of manned patrol aircraft (MPA).



#### ENGINE and SPARES



T55-L-712E and 55-L-714A

- Manufacturing of spare parts, assembly and testing of a wide range of engines;
- Sale of spare parts;
- Legal entity PAEC: joint venture with Pratt&Whitney Canada;
- Main programs:
  - PW200;
  - F135;
  - T53, T55, L712 – 14;
  - RTM 322 – Aneto 1K

- Maintenance, repair and overhaul of a wide range of engines, covered by license agreements;
- Main programs:
  - Viper 632;
  - GEM;
  - T53, T55, L712 – 14;
  - RR 250.

As of today the Company has 10 active programs, in the forms of: i) LTA (Long Term Agreement); ii) RSP (Risk Sharing Partnership); iii) LA (Licensing Agreement).

CIVIL

MILITARY

CIVIL / MILITARY

## KEY CUSTOMERS

### Government

### Private

- Italian Institutional Customers:
  - Air Force
  - Navy
  - Army;
  - Fire Fighters
  - Police
  - Coast Guard
  - Finance Police
- Foreign Institutional Customers.

- Corporations
- Private individuals



- Italian Institutional Customers (Italian Army, Navy and Air Force; Ministry of Economy and Defense...)
- Foreign Institutional Customers (Foreign Armed Forces...)

# Geographical Presence

## PIAGGIO AEROSPACE



### Villanova d'Albenga, Liguria, Italy \*

- #FTE: ~ 753
- Activities: Development, production, sales, engine MRO.
- Status: Property



### Genoa airport, Liguria, Italy

- #FTE: ~ 214
- Activities: Development and testing for aircraft;
- Customer Service for P.180
- Status: Rent



### Pratica di Mare, Ciampino and Viterbo, Lazio, Italy

- #FTE: ~ 12
- Activities: Support for Institutional fleet
- Status: Rent



### Trapani, Sicily, Italy

- #FTE: ~ 0
- Activities: Development and testing for P.1HH
- Status: Rent



### Piaggio America Inc. ("PAM"), West Palm Beach, Florida, USA

- #FTE: ~ 4
- Activities: Sales and Cust Service P180



## VILLANOVA FACILITY



### MAIN FEATURES

Total Surface (s.m.)	127.000
Offices (s.m.)	8.800
Production (s.m.)	44.950
Warehouse (s.m.)	1.900

\* Villanova Plant includes 21 FTE of Piaggio Aviation S.p.A. ("PAV")

# Extraordinary Receivership Management – Key actions

1

## Staff reorganization

An internal reorganization process has been launched drawing exclusively on internal resources, which led to the definition of new key roles for the various areas, including the formalisation of the necessary powers of attorney/delegation, so as to allow the efficient and effective continuation of business activities during the extraordinary administration. Reduction of employees from 1.145 to 980 with a saving of €10M.

2

## Expressions of interest

On 30 April 2019, the Extraordinary Commissioner published on leading newspapers and on the company's website a preliminary call for expressions of interest in (i) the purchase of Piaggio's business units or (ii) the execution of operations relating to its restructuring. As a result, 42 expressions of interest have been submitted, of which (i) 21 from industrial entities, (ii) 13 from investment funds and (iii) 8 from consultants and/or physical persons.

3

## "Programma Piaggio" and sale of assets

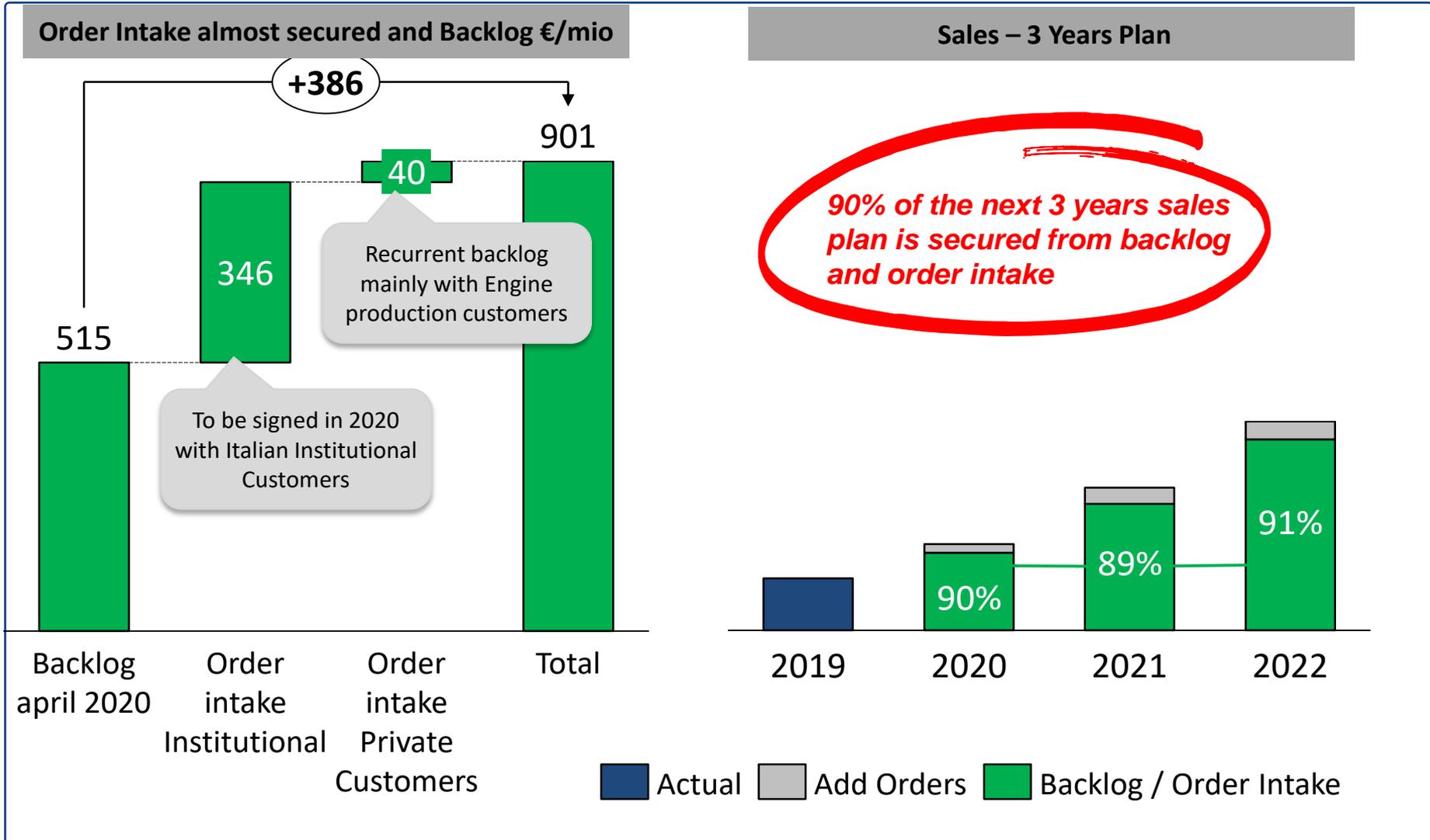
The Extraordinary Commissioner sent the program ("Programma Piaggio") to the Minister of Economic Development obtaining the approval on November 2019. Following this "Programma Piaggio", on 27 February 2020, a call for expressions of interest for the purchase of the business complexes has been published; the deadline for the submission of the expressions of interest is 29 May 2020. The sale process is expected to be completed within the year 2020.

4

## Relaunch of commercial activity

The company's commercial activity has been restarted through the participation in Business Aviation Exhibitions and enhancing commercial relation with Italian Institutional Customers. Those activities have led to the stipulation of a series of new contracts, almost entirely with institutional customers

# Order intake and Backlog: coverage next 3 years sales plan



# Thank You

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Disclaimer - This document contains predictions, estimates or other information that might be considered forward-looking. While these forward-looking statements represent our current judgment, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation.