

Iveco Group 2022 Second Quarter Results

Iveco Group consolidated revenues of €3.4 billion (up ~2% year on year).

Adjusted net income of €60 million and adjusted EBIT of €118 million.

Net cash of Industrial Activities at €625 million.



"As we anticipated, the second quarter was fiercely challenged by continued supply chain issues, raw material and energy cost increases, and political instability. And yet, this didn't stop us in both running our business effectively and strengthening our partnership network. We achieved a remarkable €118 million of Adjusted EBIT, mainly driven by solid industrial activity performance and higher profitability in our captive financial business, and our book-to-bill is decidedly positive, showing that the demand for our products remains strong across the board. On the partnership side, we forged close ties with Eni on several programmes, and just lately we announced the supply of fuel cells by HTWO, a Hyundai brand, for our future hydrogen buses. All in all we are on track, delivering sound results and running the industrial machine at the right pace: we have now built the fleet we need to swiftly supply our customers, in the coming months and across all segments, with the vehicles and engines they demand."

Gerrit Marx, Chief Executive Officer

2022 Second Quarter Results⁽¹⁾⁽²⁾

(all amounts € million, unless otherwise stated – comparison vs Q2 2021)

EU-IFRS FINANCIAL MEASURES			NON IFRS FINANCIAL MEASURES ⁽³⁾		
Consolidated revenues	3,371	+1.5%	Adjusted EBIT	118	-8
of which Net revenues of Industrial Activities	3,329	+1.1%	of which Adjusted EBIT of Industrial Activities	91	-19
Profit/(loss) for the period	36	-40	Adjusted net income	60	-17
Diluted EPS €	0.11	-0.14	Adjusted diluted EPS €	0.20	-0.06
Cash flow from operating activities	113	-262	Free cash flow of Industrial Activities	(111)	-293
Cash and cash equivalents	1,431	-307 (*)	Available liquidity	3,495	+105 (*)

(*) comparison vs 31st March 2022

Consolidated revenues of €3,371 million, up 1.5%. **Net revenues of Industrial Activities** of €3,329 million, up 1.1%, mainly due to strong positive price realization.

Adjusted EBIT of €118 million (€126 million in Q2 2021), with a **3.5% margin** (3.8% margin in Q2 2021). **Adjusted EBIT of Industrial Activities** of €91 million (€110 million in Q2 2021), with positive price realization close to offset higher raw material and energy cost.

Adjusted net income of €60 million (adjusted net income of €77 million in Q2 2021), which excludes a negative after-tax impact of €15 million from the first time adoption of the hyperinflationary accounting in Turkey. **Adjusted diluted earnings per share** of €0.20 (adjusted diluted earnings per share of €0.26 in Q2 2021).

Reported income tax expense of €29 million, with **adjusted effective tax rate** (adjusted ETR⁽³⁾) of **33%** in Q2 2022 (**35%** in H1 2022). The adjusted ETR reflects the different tax rates applied in the jurisdictions where the Group operates and other discrete items.

Net cash of Industrial Activities⁽³⁾ at €625 million (€1,063 million at 31st December 2021 or €765 million at 31st March 2022). **Free cash flow of Industrial Activities** was **negative €111 million**, €293 million lower compared to Q2 2021 due to working capital absorption deriving from the impact of component shortages on inventory level and lower production vs Q2 2021.

Available liquidity at €3,495 million as of 30th June 2022, up €105 million from 31st March 2022, including €2,000 million of undrawn committed facilities.

In April, Iveco Group and Eni signed a Letter of Intent to explore potential cooperation on sustainable mobility initiatives in the commercial vehicle sector in Europe and accelerate the decarbonisation of transport. In May, Iveco

Group, CNH Industrial and Eni signed a Memorandum of Understanding for potential joint social development initiatives in countries of common interest in the areas of agriculture, sustainable mobility and education. In June, the Company announced plans to restart production of buses in Italy. In July, FPT Industrial and Blue Energy Motors signed an agreement to introduce the first Liquefied Natural Gas trucks powered by FPT 6.7-liter engines on Indian roads by the end of 2022. In the same month, Iveco Group, through its brand IVECO BUS, announced that it will partner with Hyundai Motor Group to equip its future European hydrogen-powered buses with world-leading fuel cell systems.

2022 Outlook^(*)

The Company expects global supply chain to continue to represent the main challenge for the year, with increased cost and availability of energy, raw material price increases and components availability. Based on current visibility, the Company is providing the following 2022 preliminary financial outlook:

- **Consolidated Adjusted EBIT** between €400 million and €420 million
- **Net revenues of Industrial Activities^(**)** up from 3% to 4% versus full year 2021
- **SG&A costs of Industrial Activities** lower than 6.5% of net revenues
- **Net cash of Industrial Activities** at ~€1.2 billion.

(*) A significant escalation or expansion of economic disruption due to COVID-19 pandemic, Russia / Ukraine war, supply chain issues, and energy price and supply could have a material adverse effect on Iveco Group financial results.

(**) Including currency translation effects.

Notes, see page 4

2022 Q2 Performance and Results by Segments

Iveco Group continued to record a **solid quarterly performance** despite the challenging environment, including **global supply chain**, which continues to represent the main challenge for our operations, raw material price increases, exacerbated by the ongoing Russia-Ukraine conflict^(*), cost and availability of energy, and components availability.

Worldwide Trucks' order intake was down 10% year over year, with light duty trucks down 12%, and medium & heavy duty trucks down 7%, as a consequence of continuing to restrict the order slotting to manage the quality in the order books and the cost of inflation. Truck **book-to-bill** in Europe at 1.29.

(*) Iveco Group has operations in both Russia and Ukraine. On 20th July, the Company executed a dissolution agreement with the Russian JV, IVECO AMT, also formally presenting its withdrawal from the legal entity. Accordingly, the Iveco Group stake (33.3%) was returned to IVECO AMT. Russia and Ukraine do not constitute a material portion of the Group business, however, the Group is closely monitoring the impact of the Russia-Ukraine conflict on its employees and all aspects of its business, the Group's results of operations, financial condition and cash flows.

Commercial and Specialty Vehicles

	Q2 2022	Q2 2021	Change	
Net revenues (€ million)	2,790	2,673	+4.4%	<p>European truck market was down 18% year over year, with light-duty trucks ("LCV") down 24%, and medium and heavy trucks ("M&H") down 2%. South American truck market was up 13% in LCV and down 5% in M&H. Bus registrations decreased 11% and 4% in Europe and in South America, respectively.</p> <p>Net revenues were up 4.4%, primarily driven by positive price realization and increased volumes in bus in Europe and in trucks in South America, partially offset by lower truck volumes in Europe due to components shortage.</p> <p>Adjusted EBIT was €78 million (€94 million in Q2 2021), driven by higher product costs, mainly due to increased raw material and energy costs, partially offset by positive price realization. Adjusted EBIT margin at 2.8%.</p>
Adjusted EBIT (€ million)	78	94	-16	
Adjusted EBIT margin	2.8%	3.5%	-70 bps	

Powertrain

	Q2 2022	Q2 2021	Change	
Net revenues (€ million)	1,023	1,071	-4.5%	<p>Net revenues were down 4.5% due to lower volumes towards third parties. Sales to external customer accounted for 56% (60% in Q2 2021).</p> <p>Adjusted EBIT was €47 million (€59 million in Q2 2021), mainly due to unfavorable volume and mix. Positive price realization offset raw material and energy costs increase. Adjusted EBIT margin at 4.6%.</p>
Adjusted EBIT (€ million)	47	59	-12	
Adjusted EBIT margin	4.6%	5.5%	-90 bps	

Financial Services

	Q2 2022	Q2 2021	Change	
Net revenues (€ million)	60	45	+33.3%	<p>Net revenues were up 33.3% compared to Q2 2021, mainly due to higher wholesale originations and higher base rates.</p> <p>Adjusted EBIT increased €11 million to €27 million, primarily due to higher wholesale portfolio and better collection performances on managed receivables.</p> <p>The managed portfolio (including unconsolidated joint ventures) was €5,706 million at the end of the quarter (of which retail was 49% and wholesale 51%), up €460 million compared to 30th June 2021.</p> <p>The receivable balance greater than 30 days past due as a percentage of portfolio was 3.6% (4.7% as of 30th June 2021).</p>
Adjusted EBIT (€ million)	27	16	+11	
Equity at quarter-end (€ million)	752	725	+27	
Retail loan originations (€ million)	313	387	-74	

Iveco Group 2022 First Half Results

**Iveco Group consolidated revenues of €6.4 billion (up ~2% year on year).
Adjusted net income of €102 million and adjusted EBIT of €220 million.**

2022 First Half Results⁽¹⁾⁽²⁾

(all amounts € million, unless otherwise stated – comparison vs H1 2021)

EU-IFRS FINANCIAL MEASURES				NON IFRS FINANCIAL MEASURES ⁽³⁾			
Consolidated revenues	6,419	+1.6%		Adjusted EBIT	220	-40	
of which Net revenues of Industrial Activities	6,339	+1.3%		of which Adjusted EBIT of Industrial Activities	173	-53	
Profit/(loss) for the period	21	-122		Adjusted net income	102	-44	
Diluted EPS €	0.05	-0.41		Adjusted diluted EPS €	0.35	-0.12	
Cash flow from operating activities	12	-169		Free cash flow of Industrial Activities	(277)	-156	
Cash and cash equivalents	1,431	+534	(*)	Available liquidity	3,495	+2,059	(*)

(*) comparison vs 31st December 2021

Commercial and Specialty Vehicles

	H1 2022	H1 2021	Change
Net revenues (€ million)	5,294	5,001	+5.9%
Adjusted EBIT (€ million)	171	153	+18
Adjusted EBIT margin	3.2%	3.1%	+10 bps

Financial Services

	H1 2022	H1 2021	Change
Net revenues (€ million)	109	95	+14.7%
Adjusted EBIT (€ million)	47	34	+13

Powertrain

	H1 2022	H1 2021	Change
Net revenues (€ million)	1,998	2,096	-4.7%
Adjusted EBIT (€ million)	92	148	-56
Adjusted EBIT margin	4.6%	7.1%	-250 bps

Notes

- 1) Iveco Group reports quarterly and annual consolidated financial results under EU-IFRS. The tables and discussion related to the financial results of the Company and its segments shown in this press release are prepared in accordance with EU-IFRS.
- 2) On 1 January 2022 the demerger of CNH Industrial N.V. took legal effect. The 2021 figures presented in this press release relate to activities transferred to Iveco Group N.V. and are derived from CNH Industrial consolidated financial statements for the semi-annual of 2021 and for the year ended 31 December 2021.
- 3) Non-IFRS financial measures: refer to the "Non-IFRS Financial Information" section of this press release for information regarding non-IFRS financial measures. Refer to the specific table in the "Other Supplemental Financial Information" section of this press release for the reconciliation between the non-IFRS financial measure and the most comparable IFRS financial measure.

Non-IFRS Financial Information

Iveco Group monitors its operations through the use of several non-IFRS financial measures. Iveco Group's management believes that these non-IFRS financial measures provide useful and relevant information regarding its operating results and enhance the readers' ability to assess Iveco Group's financial performance and financial position. Management uses these non-IFRS measures to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions as they provide additional transparency with respect to our core operations. These non-IFRS financial measures have no standardized meaning under EU-IFRS and are unlikely to be comparable to other similarly titled measures used by other companies and are not intended to be substitutes for measures of financial performance and financial position as prepared in accordance with EU-IFRS.

Iveco Group's non-IFRS financial measures are defined as follows:

- Adjusted EBIT: is defined as EBIT before restructuring costs and non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.
- Adjusted Net Income/(Loss): is defined as profit/(loss) for the period, less restructuring costs and non-recurring items, after tax.
- Adjusted Diluted EPS: is computed by dividing Adjusted Net Income/(Loss) attributable to Iveco Group N.V. by a weighted-average number of common shares outstanding during the period that takes into consideration potential common shares outstanding deriving from the Iveco Group share-based payment awards, when inclusion is not anti-dilutive. When we provide guidance for adjusted diluted EPS, we do not provide guidance on an earnings per share basis because the IFRS measure will include potentially significant items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end.
- Adjusted Income Taxes: is defined as income taxes less the tax effect of restructuring expenses and non-recurring items, and non-recurring tax charges or benefits.
- Adjusted Effective Tax Rate (Adjusted ETR): is computed by dividing a) adjusted income taxes by b) profit (loss) before income taxes, less restructuring expenses and non-recurring items.
- Net Cash (Debt) and Net Cash (Debt) of Industrial Activities: Net Cash (Debt) is defined as total Debt plus Derivative liabilities, net of Cash and cash equivalents, Derivative assets and other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties) and financial receivables from CNH Industrial deriving from financing activities and sale of trade receivables. Iveco Group provides the reconciliation of Net Cash (Debt) to Total (Debt), which is the most directly comparable EU-IFRS financial measure included in the Group's consolidated statement of financial position. Due to different sources of cash flows used for the repayment of the debt between Industrial Activities and Financial Services (by cash from operations for Industrial Activities and by collection of financing receivables for Financial Services), management separately evaluates the cash flow performance of Industrial Activities using Net Cash (Debt) of Industrial Activities.
- Free Cash Flow of Industrial Activities (or Industrial Free Cash Flow): refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in property, plant and equipment and intangible assets; as well as other changes and intersegment eliminations.
- Available Liquidity: is defined as cash and cash equivalents, including restricted cash, undrawn medium-term unsecured committed facilities, other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties), and financial receivables from CNH Industrial deriving from financing activities and sale of trade receivables.

Forward-looking statements

All statements other than statements of historical fact contained in this earning release, including competitive strengths; business strategy; future financial position or operating results; budgets; projections with respect to revenue, income, earnings (or loss) per share, capital expenditures, dividends, liquidity, capital structure or other financial items; costs; and plans and objectives of management regarding operations and products, are forward-looking statements. Forward looking statements also include statements regarding the future performance of Iveco Group and its subsidiaries on a standalone basis. These statements may include terminology such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "outlook", "continue", "remain", "on track", "design", "target", "objective", "goal", "forecast", "projection", "prospects", "plan", or similar terminology. Forward-looking statements, including those related to the COVID-19 pandemic and Russia-Ukraine war, are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside our control and are difficult to predict. If any of these risks and uncertainties materialize (or they occur with a degree of severity that the Company is unable to predict) or other assumptions underlying any of the forward-looking statements prove to be incorrect, including any assumptions regarding strategic plans, the actual results or developments may differ materially from any future results or developments expressed or implied by the forward-looking statements. Factors, risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others: the continued uncertainties related to the unknown duration and economic, operational and financial impacts of the global COVID-19 pandemic and the actions taken or contemplated by governmental authorities or others in connection with the pandemic on our business, our employees, customers and suppliers; supply chain disruptions, including delays caused by mandated shutdowns, industry capacity constraints, material availability, and global logistics delays and constraints; disruption caused by business responses to COVID-19, including remote working arrangements, which may create increased vulnerability to cybersecurity or data privacy incidents; our ability to execute business continuity plans as a result of COVID-19; the many interrelated factors that affect consumer confidence and worldwide demand for capital goods and capital goods-related products, including demand uncertainty caused by COVID-19; general economic conditions in each of our markets, including the significant economic uncertainty and volatility caused by COVID-19; travel bans, border closures, other free movement restrictions, and the introduction of social distancing measures in our facilities may affect in the future our ability to operate as well as the ability of our suppliers and distributors to operate; changes in government policies regarding banking, monetary and fiscal policy; legislation, particularly pertaining to capital goods-related issues such as agriculture, the environment, debt relief and subsidy program policies, trade and commerce and infrastructure development; government policies on international

trade and investment, including sanctions, import quotas, capital controls and tariffs; volatility in international trade caused by the imposition of tariffs, sanctions, embargoes, and trade wars; actions of competitors in the various industries in which we compete; development and use of new technologies and technological difficulties; the interpretation of, or adoption of new, compliance requirements with respect to engine emissions, safety or other aspects of our products; production difficulties, including capacity and supply constraints and excess inventory levels; labor relations; interest rates and currency exchange rates; inflation and deflation; energy prices; our ability to obtain financing or to refinance existing debt; price pressure on new and used vehicles; the resolution of pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, follow-on private litigation in various jurisdictions after the settlement of the EU antitrust investigation of the Iveco Group announced on 19th July 2016, intellectual property rights disputes, product warranty and defective product claims, and emissions and/or fuel economy regulatory and contractual issues; security breaches, cybersecurity attacks, technology failures, and other disruptions to the information technology infrastructure of Iveco Group and its suppliers and dealers; security breaches with respect to our products; our pension plans and other post-employment obligations; further developments of the COVID-19 pandemic on our operations, supply chains, distribution network, as well as negative evolutions of the economic and financial conditions at global and regional levels; political and civil unrest; volatility and deterioration of capital and financial markets, including other pandemics, terrorist attacks in Europe and elsewhere; our ability to realize the anticipated benefits from our business initiatives as part of our strategic plan; our failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures, strategic alliances or divestitures and other similar risks and uncertainties, and our success in managing the risks involved in the foregoing.

Forward-looking statements are based upon assumptions relating to the factors described in this earnings release, which are sometimes based upon estimates and data received from third parties. Such estimates and data are often revised. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Iveco Group's control. Iveco Group expressly disclaims any intention or obligation to provide, update or revise any forward-looking statements in this announcement to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Further information concerning Iveco Group, including factors that potentially could materially affect Iveco Group's financial results, is included in Iveco Group's reports and filings with the Autoriteit Financiële Markten ("AFM").

About Iveco Group

Iveco Group N.V. (MI: IVG) is the home of unique people and brands that power your business and mission to advance a more sustainable society. The eight brands are each a major force in its specific business: IVECO, a pioneering commercial vehicles brand that designs, manufactures, and markets heavy, medium, and light-duty trucks; FPT Industrial, a global leader in a vast array of advanced powertrain technologies in the agriculture, construction, marine, power generation, and commercial vehicles sectors; IVECO BUS and HEULIEZ, mass-transit and premium bus and coach brands; IDV, for highly-specialised defence and civil protection equipment; ASTRA, a leader in large-scale heavy-duty quarry and construction vehicles; MAGIRUS, the industry-reputed firefighting vehicle and equipment manufacturer; and IVECO CAPITAL, the financing arm which supports them all. Iveco Group employs approximately 34,000 people around the world and has 28 manufacturing plants and 29 R&D centres. Further information is available on the Company's website www.ivecogroup.com

Conference Call and Webcast

Today, at 10:30 am CEST / 9:30 am BST, management will hold a conference call to present the second quarter and first half 2022 results to financial analysts and institutional investors. The call can be followed live online at [Q2 2022 IVECO GROUP webcast](#) and a recording will be available later on the Company's website www.ivecogroup.com. A presentation will be made available on the Company's website prior to the call.

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Iveco Group N.V.

Condensed Consolidated Income Statement for the three and six months ended 30th June 2022 and 2021

(Unaudited)

(€ million)	Three months ended 30 th June		Six months ended 30 th June	
	2022	2021	2022	2021
Net revenues	3,371	3,321	6,419	6,319
Cost of sales	2,896	2,833	5,547	5,381
Selling, general and administrative costs	221	221	443	401
Research and development costs	122	122	230	240
Result from investments:	7	4	8	6
Share of the profit/(loss) of investees accounted for using the equity method	7	4	8	6
Gains/(losses) on the disposal of investments	(1)	(1)	4	(1)
Restructuring costs	3	2	4	3
Other income/(expenses)	(42)	(23)	(73)	(43)
EBIT	93	123	134	256
Financial income/(expenses)	(28)	(17)	(62)	(51)
PROFIT/(LOSS) BEFORE TAXES	65	106	72	205
Income tax (expense) benefit	(29)	(30)	(51)	(62)
PROFIT/(LOSS) FOR THE PERIOD	36	76	21	143
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of the parent	30	69	13	124
Non-controlling interests	6	7	8	19
(in €)				
Earning (loss) per share attributable to common shareholders				
Basic	0.11	0.25	0.05	0.46
Diluted	0.11	0.25	0.05	0.46

Iveco Group N.V.

Condensed Consolidated Statement of Financial Position as of 30th June 2022 and 31st December 2021

(Unaudited)

(€ million)	30 th June 2022	31 st December 2021
ASSETS		
Intangible assets	1,352	1,314
Property, plant and equipment	3,034	3,055
Investments and other non-current financial assets:	520	582
Investments accounted for using the equity method	343	310
Equity investments measured at fair value through other comprehensive income	118	224
Other investments and non-current financial assets	59	48
Leased assets	59	58
Defined benefit plan assets	15	15
Deferred tax assets	695	646
Total Non-current assets	5,675	5,670
Inventories	3,487	2,651
Trade receivables	285	318
Receivables from financing activities	3,162	2,909
Current tax receivables	111	110
Other current receivables and financial assets	495	3,902
Prepaid expenses and other assets	60	47
Derivative assets	48	50
Cash and cash equivalents	1,431	897
Total Current assets	9,079	10,884
Assets held for sale	1	6
TOTAL ASSETS	14,755	16,560
EQUITY AND LIABILITIES		
Issued capital and reserves attributable to owners of the parent	2,258	2,289
Non-controlling interests	32	22
Total Equity	2,290	2,311
Provisions:	1,925	1,931
Employee benefits	539	621
Other provisions	1,386	1,310
Debt:	3,529	5,785
Asset-backed financing	2,259	1,926
Other debt	1,270	3,859
Derivative liabilities	62	43
Trade payables	3,648	3,133
Tax liabilities	77	49
Deferred tax liabilities	34	11
Other current liabilities	3,190	3,297
Total Liabilities	12,465	14,249
TOTAL EQUITY AND LIABILITIES	14,755	16,560

Iveco Group N.V.

Condensed Consolidated Statement of Cash Flows for the six months ended 30th June 2022 and 2021

(Unaudited)

(€ million)	Six months ended 30 th June	
	2022	2021
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	897	463
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Profit/(loss) for the period	21	143
Amortization and depreciation (net of vehicles sold under buy-back commitments and operating leases)	279	272
(Gains)/losses on disposal of property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)	(12)	1
Other non-cash items	13	(3)
Dividends received	-	16
Change in provisions	(18)	52
Change in deferred income taxes	(22)	3
Change in items due to buy-back commitments (a)	15	9
Change in operating lease items (b)	(9)	(3)
Change in working capital	(255)	(309)
TOTAL	12	181
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:		
Investments in:		
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments and operating leases)	(247)	(194)
Consolidated subsidiaries and other equity investments	(20)	(3)
Proceeds from the sale of non-current assets (net of vehicles sold under buy-back commitments)	15	-
Net change in receivables from financing activities	(276)	113
Change in other current financial assets	15	(144)
Other changes	516	351
TOTAL	3	123
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Net change in debt and derivatives assets/liabilities	492	(343)
TOTAL	492	(343)
Translation exchange differences	27	7
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	534	(32)
F) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,431	431

(a) Cash generated from the sale of vehicles under buy-back commitments, net of amounts included in Profit/(loss), is recognized under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses. The item also includes gains and losses arising from the sale of vehicles subject to buy-back commitments.

(b) Cash from operating lease is recognized under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

Iveco Group N.V.

Supplemental Consolidated Statements of Operations for the three months ended 30th June 2022 and 2021

(Unaudited)

(€ million)	Three months ended 30 th June 2022				Three months ended 30 th June 2021			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
Net revenues	3,329	60	(18) ⁽²⁾	3,371	3,292	45	(16) ⁽²⁾	3,321
Cost of sales	2,894	20	(18) ⁽³⁾	2,896	2,834	15	(16) ⁽³⁾	2,833
Selling, general and administrative costs	206	15	-	221	204	17	-	221
Research and development costs	122	-	-	122	122	-	-	122
Result from investments:	4	3	-	7	1	3	-	4
Share of the profit/(loss) of investees accounted for using the equity method	4	3	-	7	1	3	-	4
Gains/(losses) on the disposal of investments	(1)	-	-	(1)	(1)	-	-	(1)
Restructuring costs	3	-	-	3	2	-	-	2
Other income/(expenses)	(41)	(1)	-	(42)	(23)	-	-	(23)
EBIT	66	27	-	93	107	16	-	123
Financial income/(expenses)	(28)	-	-	(28)	(17)	-	-	(17)
PROFIT/(LOSS) BEFORE TAXES	38	27	-	65	90	16	-	106
Income tax (expense) benefit	(22)	(7)	-	(29)	(27)	(3)	-	(30)
PROFIT/(LOSS) FOR THE PERIOD	16	20	-	36	63	13	-	76

Notes:

- (1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Commercial and Specialty Vehicles and Powertrain segments, as well as the holding company Iveco Group N.V.
(2) Elimination of Financial Services' interest income earned from Industrial Activities.
(3) Elimination of Industrial Activities' interest expense to Financial Services.

Iveco Group N.V.

Supplemental Consolidated Statements of Operations for the six months ended 30th June 2022 and 2021

(Unaudited)

(€ million)	Six months ended 30 th June 2022				Six months ended 30 th June 2021			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
Net revenues	6,339	109	(29) ⁽²⁾	6,419	6,257	95	(33) ⁽²⁾	6,319
Cost of sales	5,516	60	(29) ⁽³⁾	5,547	5,378	36	(33) ⁽³⁾	5,381
Selling, general and administrative costs	413	30	-	443	369	32	-	401
Research and development costs	230	-	-	230	240	-	-	240
Result from investments:	1	7	-	8	-	6	-	6
Share of the profit/(loss) of investees accounted for using the equity method	1	7	-	8	-	6	-	6
Gains/(losses) on the disposal of investments	4	-	-	4	(1)	-	-	(1)
Restructuring costs	4	-	-	4	3	-	-	3
Other income/(expenses)	(72)	(1)	-	(73)	(44)	1	-	(43)
EBIT	109	25	-	134	222	34	-	256
Financial income/(expenses)	(62)	-	-	(62)	(51)	-	-	(51)
PROFIT/(LOSS) BEFORE TAXES	47	25	-	72	171	34	-	205
Income tax (expense) benefit	(45)	(6)	-	(51)	(53)	(9)	-	(62)
PROFIT/(LOSS) FOR THE PERIOD	2	19	-	21	118	25	-	143

Notes:

- (1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Commercial and Specialty Vehicles and Powertrain segments, as well as the holding company Iveco Group N.V.
(2) Elimination of Financial Services' interest income earned from Industrial Activities.
(3) Elimination of Industrial Activities' interest expense to Financial Services.

Iveco Group N.V.

Supplemental Consolidated Statement of Financial Position as of 30th June 2022 and 31st December 2021

(Unaudited)

(€ million)	30 th June 2022				31 st December 2021			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
ASSETS								
Intangible assets	1,338	14	-	1,352	1,301	13	-	1,314
Property, plant and equipment	3,032	2	-	3,034	3,053	2	-	3,055
Investments and other non-current financial assets:	372	148	-	520	442	140	-	582
Investments accounted for using the equity method	208	135	-	343	182	128	-	310
Equity investments measured at fair value through other comprehensive income	118	-	-	118	224	-	-	224
Other investments and non-current financial assets	46	13	-	59	36	12	-	48
Leased assets	22	37	-	59	24	34	-	58
Defined benefit plan assets	15	-	-	15	15	-	-	15
Deferred tax assets	613	83	(1) ⁽⁵⁾	695	569	78	(1) ⁽⁵⁾	646
Total Non-current assets	5,392	284	(1)	5,675	5,404	267	(1)	5,670
Inventories	3,487	-	-	3,487	2,650	1	-	2,651
Trade receivables	280	14	(9) ⁽³⁾	285	313	21	(16) ⁽³⁾	318
Receivables from financing activities	522	3,573	(933) ⁽³⁾	3,162	67	2,954	(112) ⁽³⁾	2,909
Current tax receivables	130	-	(19) ⁽⁴⁾	111	119	2	(11) ⁽⁴⁾	110
Other current receivables and financial assets	373	145	(23) ⁽²⁾	495	3,210	722	(30) ⁽²⁾	3,902
Prepaid expenses and other assets	55	5	-	60	42	5	-	47
Derivative assets	50	1	(3) ⁽⁶⁾	48	49	1	-	50
Cash and cash equivalents	1,239	192	-	1,431	726	171	-	897
Total Current assets	6,136	3,930	(987)	9,079	7,176	3,877	(169)	10,884
Assets held for sale	1	-	-	1	6	-	-	6
TOTAL ASSETS	11,529	4,214	(988)	14,755	12,586	4,144	(170)	16,560
EQUITY AND LIABILITIES								
Total Equity	1,538	752	-	2,290	1,571	740	-	2,311
Provisions:	1,828	97	-	1,925	1,834	97	-	1,931
Employee benefits	526	13	-	539	603	18	-	621
Other provisions	1,302	84	-	1,386	1,231	79	-	1,310
Debt:	1,174	3,288	(933) ⁽³⁾	3,529	2,661	3,236	(112) ⁽³⁾	5,785
Asset-backed financing	-	2,259	-	2,259	-	1,926	-	1,926
Other debt	1,174	1,029	(933) ⁽³⁾	1,270	2,661	1,310	(112) ⁽³⁾	3,859
Derivative liabilities	63	2	(3) ⁽⁶⁾	62	42	1	-	43
Trade payables	3,633	20	(5) ⁽³⁾	3,648	3,130	22	(19) ⁽³⁾	3,133
Tax liabilities	74	26	(23) ⁽⁴⁾	77	38	22	(11) ⁽⁴⁾	49
Deferred tax liabilities	35	-	(1) ⁽⁵⁾	34	11	1	(1) ⁽⁵⁾	11
Other current liabilities	3,184	29	(23) ⁽²⁾	3,190	3,299	25	(27) ⁽²⁾	3,297
Total Liabilities	9,991	3,462	(988)	12,465	11,015	3,404	(170)	14,249
TOTAL EQUITY AND LIABILITIES	11,529	4,214	(988)	14,755	12,586	4,144	(170)	16,560

Notes:

- (1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Commercial and Specialty Vehicles and Powertrain segments, as well as the holding company Iveco Group N.V.
- (2) This item includes the elimination of intercompany activity between Industrial Activities and Financial Services.
- (3) This item includes the elimination of receivables/payables between Industrial Activities and Financial Services.
- (4) This item includes the elimination of tax receivables/payables between Industrial Activities and Financial Services and reclassifications needed for appropriate consolidated presentation.
- (5) This item includes the reclassification of deferred tax assets/liabilities in the same jurisdiction and reclassifications needed for appropriate consolidated presentation.
- (6) This item includes the elimination of derivative assets/liabilities between Industrial Activities and Financial Services.

Iveco Group N.V.

Supplemental Consolidated Statement of Cash Flows for the six months ended 30th June 2022 and 2021

(Unaudited)

(€ million)	Six months ended 30 th June 2022				Six months ended 30 th June 2021			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	726	171	-	897	366	97	-	463
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:								
Profit/(loss) for the period	2	19	-	21	118	25	-	143
Amortization and depreciation (net of vehicles sold under buy-back commitments and operating leases)	278	1	-	279	271	1	-	272
(Gains)/losses on disposal of property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)	(12)	-	-	(12)	1	-	-	1
Other non-cash items	-	13	-	13	3	(6)	-	(3)
Dividends received	21	-	(21) ⁽²⁾	-	18	-	(2) ⁽²⁾	16
Change in provisions	(18)	-	-	(18)	46	6	-	52
Change in deferred income taxes	(17)	(5)	-	(22)	10	(7)	-	3
Change in items due to buy-back commitments	7	8	-	15	9	-	-	9
Change in operating lease items	2	(11)	-	(9)	(6)	3	-	(3)
Change in working capital	(260)	5	-	(255)	(325)	16	-	(309)
TOTAL	3	30	(21)	12	145	38	(2)	181
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:								
Investments in:								
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments and operating leases)	(247)	-	-	(247)	(193)	(1)	-	(194)
Consolidated subsidiaries and other equity investments	(20)	-	-	(20)	(8)	-	5 ⁽³⁾	(3)
Proceeds from the sale of non-current assets (net of vehicles sold under buy-back commitments)	15	-	-	15	-	-	-	-
Net change in receivables from financing activities	7	(283)	-	(276)	(11)	124	-	113
Change in other current financial assets	15	-	-	15	(144)	-	-	(144)
Other changes	252	264	-	516	220	131	-	351
TOTAL	22	(19)	-	3	(136)	254	5	123
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:								
Net change in debt and derivative assets/liabilities	462	30	-	492	(52)	(291)	-	(343)
Capital increase	-	-	-	-	-	5	(5) ⁽³⁾	-
Dividends paid	-	(21)	21 ⁽²⁾	-	-	(2)	2 ⁽²⁾	-
TOTAL	462	9	21	492	(52)	(288)	(3)	(343)
Translation exchange differences	26	1	-	27	8	(1)	-	7
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	513	21	-	534	(35)	3	-	(32)
F) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,239	192	-	1,431	331	100	-	431

Notes:

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Commercial and Specialty Vehicles and Powertrain segments, as well as the holding company Iveco Group N.V.

(2) This item includes the elimination of dividend from Financial Services to Industrial Activities.

(3) This item includes the elimination of paid capital from Industrial Activities to Financial Services.

Other Supplemental Financial Information

(Unaudited)

Reconciliation of EBIT to Adjusted EBIT by segment (€ million)

Three months ended 30th June 2022

	Commercial and Specialty Vehicles	Powertrain	Unallocated items, eliminations and other	Total Industrial Activities	Financial Services	Eliminations	Total
EBIT	59	47	(40)	66	27	-	93
<i>Adjustments:</i>							
Restructuring costs	3	-	-	3	-	-	3
Other discrete items ⁽¹⁾	16	-	6	22	-	-	22
Adjusted EBIT	78	47	(34)	91	27	-	118

Three months ended 30th June 2021

	Commercial and Specialty Vehicles	Powertrain	Unallocated items, eliminations and other	Total Industrial Activities	Financial Services	Eliminations	Total
EBIT	93	58	(44)	107	16	-	123
<i>Adjustments:</i>							
Restructuring costs	1	1	-	2	-	-	2
Other discrete items	-	-	1	1	-	-	1
Adjusted EBIT	94	59	(43)	110	16	-	126

(1) In the three months ended 30th June 2022, this item primarily includes €14 million related to the first time adoption of hyperinflationary accounting in Turkey and €6 million separation costs related to the spin-off of the Iveco Group business.

Reconciliation of EBIT to Adjusted EBIT by segment (€ million)

Six months ended 30th June 2022

	Commercial and Specialty Vehicles	Powertrain	Unallocated items, eliminations and other	Total Industrial Activities	Financial Services	Eliminations	Total
EBIT	120	92	(103)	109	25	-	134
<i>Adjustments:</i>							
Restructuring costs	4	-	-	4	-	-	4
Other discrete items ⁽¹⁾	47	-	13	60	22	-	82
Adjusted EBIT	171	92	(90)	173	47	-	220

Six months ended 30th June 2021

	Commercial and Specialty Vehicles	Powertrain	Unallocated items, eliminations and other	Total Industrial Activities	Financial Services	Eliminations	Total
EBIT	151	147	(76)	222	34	-	256
<i>Adjustments:</i>							
Restructuring costs	2	1	-	3	-	-	3
Other discrete items	-	-	1	1	-	-	1
Adjusted EBIT	153	148	(75)	226	34	-	260

(1) In the six months ended 30th June 2022, this item primarily includes €53 million in connection with our Russian and Ukrainian operations, primarily due to the impairment of certain assets, €14 million related to the first time adoption of hyperinflationary accounting in Turkey, €10 million separation costs related to the spin-off of the Iveco Group business and €3 million related to the impairment of certain assets held for sale.

Other Supplemental Financial Information

(Unaudited)

Reconciliation of Total (Debt) to Net Cash (Debt)

(€ million)

	Consolidated		Industrial Activities		Financial Services	
	30 th June 2022	31 st December 2021	30 th June 2022	31 st December 2021	30 th June 2022	31 st December 2021
Third party (debt)	(3,268)	(2,709)	(748)	(220)	(2,520)	(2,489)
Intersegment notes payable ⁽¹⁾	-	-	(424)	(71)	(509)	(41)
(Debt) payables to CNH Industrial ⁽²⁾	(261)	(3,076)	(2)	(2,370)	(259)	(706)
Total (Debt)	(3,529)	(5,785)	(1,174)	(2,661)	(3,288)	(3,236)
Cash and cash equivalents	1,431	897	1,239	726	192	171
Intersegment financial receivables ⁽¹⁾	-	-	509	41	424	71
Financial receivables from CNH Industrial ⁽³⁾	70	3,520	23	2,896	47	624
Other current financial assets ⁽⁴⁾	41	54	41	54	-	-
Derivatives assets ⁽⁵⁾	48	50	50	49	1	1
Derivatives liabilities ⁽⁵⁾	(62)	(43)	(63)	(42)	(2)	(1)
Net Cash (Debt)⁽⁶⁾	(2,001)	(1,307)	625	1,063	(2,626)	(2,370)

(1) As a result of the role played by the central treasury, debt for Industrial Activities also includes funding raised by the central treasury on behalf of Financial Services (included under Intersegment financial receivables). Intersegment financial receivables for Financial Services, on the other hand, represent loans or advances to Industrial Activities – for receivables sold to Financial Services that do not meet the derecognition requirements – as well as cash deposited temporarily with the central treasury. Total Debt of Industrial Activities includes Intersegment notes payable to Financial Services of €424 million and €71 million as of 30th June 2022 and 31st December 2021, respectively. Total Debt of Financial Services includes Intersegment notes payable to Industrial Activities of €509 million and €41 million as of 30th June 2022 and 31st December 2021, respectively.

(2) At 30th June 2022, it includes payables related to purchases of receivables or collections with settlement in the following days; at 31st December 2021, it mainly included overdraft and advances/utilizations under cash management and/or cash pooling arrangements and loans granted by the CNH Industrial central treasury.

(3) At 30th June 2022, it includes receivables related to sales of receivables or collections with settlement in the following days; at 31st December 2021, it mainly referred to cash balances deposited with the CNH Industrial central treasury, including cash management and/or cash pooling arrangements.

(4) This item includes short-term deposits and investments towards high-credit rating counterparties.

(5) Derivative assets and Derivative liabilities include, respectively, the positive and negative fair values of derivative financial instruments.

(6) The net intersegment receivable/(payable) balance recorded by Financial Services relating to Industrial Activities was €(85) million and €30 million as of 30th June 2022 and 31st December 2021, respectively.

Reconciliation of Cash and cash equivalents to Available liquidity

(€ million)

	30 th June 2022	31 st March 2022	31 st December 2021
Cash and cash equivalents	1,431	1,738	897
Undrawn committed facilities	2,000	1,613	41
Other current financial assets ⁽¹⁾	41	25	54
Financial receivables from CNH Industrial ⁽²⁾	23	14	444
Available liquidity	3,495	3,390	1,436

(1) This item includes short-term deposits and investments towards high-credit rating counterparties.

(2) This item includes financial receivables from CNH Industrial deriving from financing activities and sale of trade receivables.

Other Supplemental Financial Information

(Unaudited)

Change in Net Cash (Debt) of Industrial Activities (€ million)

Six months ended 30 th June			Three months ended 30 th June	
2022	2021		2022	2021
1,063	1,165	Net Cash (Debt) of Industrial Activities at beginning of period	765	877
173	226	Adjusted EBIT of Industrial Activities	91	110
278	271	Depreciation and Amortization	139	137
111	112	Depreciation of assets under operating leases and assets sold with buy-back commitments	53	56
(52)	(69)	Cash interest and taxes	(11)	(43)
(247)	(70)	Changes in provisions and similar ⁽¹⁾	(72)	21
(260)	(325)	Change in working capital	(133)	78
3	145	Operating cash flow of Industrial Activities	67	359
(247)	(193)	Investments in property, plant and equipment, and intangible assets ⁽²⁾	(151)	(120)
(33)	(73)	Other changes	(27)	(57)
(277)	(121)	Free Cash Flow of Industrial Activities	(111)	182
-	-	Capital increases and dividends	-	-
(161)	32	Currency translation differences and other	(29)	17
(438)	(89)	Change in Net Cash (Debt) of Industrial Activities	(140)	199
625	1,076	Net Cash (Debt) of Industrial Activities at end of period	625	1,076

⁽¹⁾ Including other cash flow items related to operating lease and buy-back activities.

⁽²⁾ Excluding assets sold under buy-back commitments and assets under operating leases.

Reconciliation of Net cash provided by (used in) Operating Activities to Free Cash Flow of Industrial Activities (€ million)

Six months ended 30 th June			Three months ended 30 th June	
2022	2021		2022	2021
12	181	Net cash provided by (used in) Operating Activities	113	375
(9)	(36)	Less: Cash flows from Operating Activities of Financial Services net of eliminations	(46)	(16)
3	145	Operating cash flow of Industrial Activities	67	359
(247)	(193)	Investments in property, plant and equipment, and intangible assets of Industrial Activities	(151)	(120)
(33)	(73)	Other changes ⁽¹⁾	(27)	(57)
(277)	(121)	Free Cash Flow of Industrial Activities	(111)	182

⁽¹⁾ This item primarily includes change in intersegment financial receivables and capital increases in intersegment investments.

Other Supplemental Financial Information

(Unaudited)

Reconciliation of Adjusted net profit/(loss) and Adjusted income tax (expense) benefit to Consolidated Profit/(loss) and Income tax (expense) benefit and calculation of Adjusted diluted EPS and Adjusted ETR
(€ million, except per share data)

Six months ended 30 th June			Three months ended 30 th June		
2022	2021		2022	2021	
21	143	Profit/(loss)	36	76	
86	3	Adjustments impacting Profit/(loss) before income tax (expense) benefit (a)	25	2	
(5)	-	Adjustments impacting Income tax (expense) benefit (b)	(1)	(1)	
102	146	Adjusted net profit/(loss)	60	77	
94	127	Adjusted net profit/(loss) attributable to Iveco Group N.V.	54	70	
272	271	Weighted average shares outstanding – diluted (million)	272	271	
0.35	0.47	Adjusted diluted EPS (€)	0.20	0.26	
72	205	Profit/(loss) before income tax (expense) benefit	65	106	
86	3	Adjustments impacting Profit/(loss) before income tax (expense) benefit (a)	25	2	
158	208	Adjusted profit/(loss) before income tax (expense) benefit (A)	90	108	
(51)	(62)	Income tax (expense) benefit	(29)	(30)	
(5)	-	Adjustments impacting Income tax (expense) benefit (b)	(1)	(1)	
(56)	(62)	Adjusted income tax (expense) benefit (B)	(30)	(31)	
35%	30%	Adjusted Effective Tax Rate (Adjusted ETR) (C=B/A)	33%	29%	
a) Adjustments impacting Profit/(loss) before income tax (expense) benefit					
4	3	Restructuring costs	3	2	
10	-	Spin-off costs	6	-	
53	-	Russia and Ukraine – impairment of certain assets	-	-	
3	-	Impairment of certain assets held for sale	-	-	
14	-	First time adoption of hyperinflationary accounting in Turkey	14	-	
2	-	Other	2	-	
86	3	Total	25	2	
b) Adjustments impacting Income tax (expense) benefit					
(9)	(1)	Tax effect of adjustments impacting income tax (expense) benefit	(3)	(1)	
4	-	Valuation allowance on Russian deferred tax assets	1	-	
-	1	Other	1	-	
(5)	-	Total	(1)	(1)	

Translation of financial statements denominated in a currency other than the Euro

The principal exchange rates used to translate into Euro the financial statements prepared in currencies other than the Euro were as follows:

	Six months ended 30 th June 2022		At 31 st December 2021	Six months ended 30 th June 2021	
	Average	30 th June		Average	30 th June
U.S. dollar	1.093	1.039	1.133	1.205	1.188
Pound sterling	0.842	0.858	0.840	0.868	0.858
Swiss franc	1.032	0.996	1.033	1.095	1.098
Brazilian real	5.556	5.484	6.310	6.490	5.905
Polish Zloty	4.635	4.681	4.597	4.537	4.520
Czech Koruna	24.648	24.739	24.858	25.854	25.488
Argentine peso ⁽¹⁾	130.056	130.056	116.239	113.765	113.765
Turkish lira ⁽²⁾	17.386	17.386	15.234	9.523	10.321

(1) From 1st July 2018, Argentina's economy was considered to be hyperinflationary. After the same date, transactions for entities with the Argentine peso as the functional currency were translated using the closing spot rate.

(2) As of 30th June 2022, the Company applied the hyperinflationary accounting in Turkey, with effect from 1st January 2022. After 1st January 2022, transactions for entities with the Turkish lira as the functional currency were translated using the closing spot rate.