Luxury Fieldtrip Kepler Cheuvreux

Sant’Agata Bolognese, 20.06.2017
Lamborghini: the icon of luxury super sports

Design

Innovation

One to one luxury customer experience

Emotion

Perceived quality

Strong Brand equity & desirability

Performance

“Fun to drive”
“Different from the others”
Agenda

1. Our history
2. Trends, segment, competition
3. Lamborghini today
4. Strategy 2025 and transformation path
5. Wrap-up
The foundation

Automobili Lamborghini was founded in 1963 by Ferruccio Lamborghini

Ferruccio Lamborghini had a vision: the ultimate production sports car.

Nothing in the world matched that vision. So he went and built it himself.
Our history: a tradition of iconic cars

350 GT (1963-1964)

Miura (1966-1972)

Countach LP 400 (1974-1978)

Espada (1968-1978)

LM 002 (1986-1992)

Gallardo (2003 - 2014)
In the collective imagination, Lamborghini are super sports cars
350 GT: the first Lamborghini, all in aluminium and with V12 engine

Product innovations
- Aluminium body
Miura: the first super sports car ever

Product innovations

- First series car with V12 central transversal engine and integrated gearbox

Miura (1966-1972)
Countach: technical and style innovation

Product innovations

• Powertrain architecture, excellent mass balance
• Style concept, first car ever with vertically opening doors (“scissor doors”)
Diablo: the first super sports 4WD

Product innovations
- First super sports 4WD

Diablo (1990-2001)
Aventador: the first super sports with carbon fibre monocoque and push rod suspensions

Product innovations
- Carbon fibre monocoque, fully developed and produced in-house
- Push rod suspensions

Aventador (2011)
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Mega trends and implications for Lamborghini
The future of our segments: Exclusive Super Sports and Super SUV

Super sports mega trends

**Fast product evolution**
- Fast time to market
- Derivatives strategy

**Performance**
- Performance and driving emotions
- Weight-to-power ratio (excellence in light-weight materials)

**Luxury experience**
- Inspiring brand experience for customers and prospects

Implications for Lamborghini

**Digitalization**
- Connectivity, differentiating services

**Sustainability**
- Gradual shift to electrification, without compromising on performance

**Urbanization**
- Driving-assistance features to enhance drivers’ capabilities
Synthesis of competitive landscape

**BEV**
- BEV technology still not suitable for super sports car due to weight, battery packaging and performance continuity

**Downsizing, turbo, hybridisation**
- Downsizing and turbo are established trends for regulatory reasons
- Hybridisation is a clear trend for both image and regulatory reasons; so far used in hyper cars as technology demonstrator but expected to widen its adoption

**Modularity**
- Synergies between model lines represent a strong lever of cost reduction and flexibility; product differentiation to be ensured

**Time to market**
- Fast time to market: <4 years for new models, <3 years for derivatives
- Lifecycles with heavy facelifts
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3. Lamborghini today
   - Product
   - Brand
   - Main figures

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Our current product range
2 product lines plus derivatives, Urus launch in 2018

2 product lines

![Aventador S](image)

Aventador S
740 HP
335,050€

![Aventador Roadster](image)

Aventador Roadster
700 HP
357,000€

Derivatives

![Aventador Superveloce](image)

Aventador Superveloce
750 HP
389,356€

![Aventador Superveloce Roadster](image)

Aventador Superveloce Roadster
750 HP
425,056€

![Huracán](image)

Huracán
610 HP
201,824€

![Huracan Spyder](image)

Huracan Spyder
610 HP
221,995€

![Huracan 2WD](image)

Huracan 2WD
580 HP
178,500€

![Huracan 2WD spyder](image)

Huracan 2WD spyder
580 HP
196,350€

![Huracan Performante](image)

Huracan Performante
640 HP
232,098€

Note: German suggested retail price tax included
Ad Personam: to fulfil the needs of our customers of feeling unique

Personalised service to our customers
Enhance the customer experience
Increase the feeling of exclusivity
New approach to luxury: the one-off

Innovate
Strengthen brand value and exclusivity
Satisfy customer target super-luxury oriented

<table>
<thead>
<tr>
<th>Model</th>
<th>Year</th>
<th>Units</th>
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</thead>
<tbody>
<tr>
<td>Reventon Coupe</td>
<td>2007</td>
<td>20</td>
</tr>
<tr>
<td>Reventon Roadster</td>
<td>2009</td>
<td>15</td>
</tr>
<tr>
<td>Sesto Elemento</td>
<td>2010</td>
<td>20</td>
</tr>
<tr>
<td>Aventador J</td>
<td>2012</td>
<td>1</td>
</tr>
<tr>
<td>Veneno Coupe</td>
<td>2013</td>
<td>3</td>
</tr>
<tr>
<td>Veneno Roadster</td>
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<td>Centenario Coupe</td>
<td>2016</td>
<td>20</td>
</tr>
<tr>
<td>Centenario Roadster</td>
<td>2016</td>
<td>20</td>
</tr>
</tbody>
</table>

Suggested retail price w/o tax between 1 and 3 Mio€
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New brand values have been defined to enlarge our potential customer base

From Italian, Extreme, Uncompromised, to...

VISONARY

CUTTING EDGE

PURE
Events: promoting our brand in luxury, sport and lifestyle contexts
Polo Storico and Museum: to promote our heritage and our brand

Polo Storico (launched in 2015)
• Historical archive
• Heritage spare parts
• Vehicle certification
  – 16 completed, 15 work in progress, 54 in waiting list
• Vehicle restoration centre
  – 9 full restorations completed, 17 work in progress, 39 in waiting list

2016: 50th anniversary of the Lamborghini Miura

Museum Lamborghini
• Journey among the best Lamborghini ever
• Bridge between the past and the future of Lamborghini
Lamborghini Squadra Corse: a strategic asset for the brand

Our Objectives

• Promote “dare to win” attitude of Lamborghini
• Shift Brand perception: technical substance & technology transfer
• Increase sales
• Enhance customer loyalty
• Create emotional attachment to the brand

Main results 2016:
- 2 Championship titles
- 18 victories
- 52 podiums
- 36 cars sold

Main figures 2016:
- 19 races
- 67 cars sold
- 81 cars on grid (avg)
Collezione Automobili Lamborghini: our brand enlargement to luxury apparel and community of fans

Merchandising

Licensing
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Increasing volumes in a stable market

Sales

[CAGR\(^1\)]

Total car market

ESS

Lamborghini

\(^1\) Compounded Annual Growth Rate

20.06.2017
Geographical footprint
Balanced sales and dealer presence

Sales

- APAC: 26%
- EMEA: 37%
- Americas: 37%

Dealer coverage

- America: 40 dealers
- EMEA: 57 dealers
- APAC: 39 dealers

[units]
- USA: 1,041
- Japan: 359
- UK: 326
- Germany: 250
- Canada: 210
- Middle East: 164
- China: 151
- Australia: 111
- Switzerland: 106
- France & MC: 94

Note: 2016 figures
Constant growth of turnover
Next target 1 Bn €

Turnover [Mio €]

CAGR\(^{1}\) +19%

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover [Mio €]</th>
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<tbody>
<tr>
<td>2001</td>
<td>65</td>
</tr>
<tr>
<td>2002</td>
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<td>2014</td>
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<tr>
<td>2015</td>
<td>872</td>
</tr>
<tr>
<td>2016</td>
<td>906</td>
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\(^{1}\) Compounded Annual Growth Rate
Significant investments in our site
Plant extension and CO₂ neutrality

First plant
10,000 m²

Carbon Fibre

PSC-Protoshop and Carbon Fibre extension

Logistic centre

New Huracan production line
80,000 m²

New plant
New logistic centre
New offices
New paintshop
160,000 m²

1963 -64-65... 2010 2011 2012 2013 2014 2015 2018

CO₂ neutral
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Strategy 2025

Our new strategy 2025 is based on an aspirational vision and on two core elements that define how to get there

Vision
Why Lamborghini exists, which is our promise

Mission
How do we support our vision

Enablers
With significant impact

Targets
Our measurable goals

The icon of luxury super sports

Breakthrough products
- Design
- Emotion
- Performance
- Innovation
- Perceived quality

Inspiring brand experience
- One to one luxury customer experience
- Strong Brand equity & desirability

Digitalization

Corporate agility

Profitability
Sales performance
Attractive employer
Sustainability
Sustainable growth and double-digit profitability will be ensured through a set of actions organized in three phases:

1. **New level with Aventador and Huracan**
   - 2012: 2,121 units
   - 2014: 2,530 units
   - 2016: 3,457 units
   - Yearly growth: +14%

2. **Continuous growth with derivatives**
   - 2017: 3,245 units
   - 2025: Projected growth

3. **Next level of growth**
   - **New level with Urus**
   - **Smart consolidation**
   - **Lamborghini next generation**

The diagram illustrates the growth trajectory from 2012 to 2025, with projected increases in sales and a focus on maintaining double-digit profitability.
The next level of growth in 3 phases

**Phase I: Urus as a game changer**

**Phase I**
- New level with Urus
- Game changer: introduce 3rd Model line

**Phase II**
- Smart consolidation
- Stabilize volumes with smart derivatives
- Introduce Urus derivatives

**Phase III**
- Lamborghini next generation
- ...

**Improve profitability**
- 2017-2018
- 2019-2021
- 2022-2025
Urus as a game changer
The first Super Sports Utility Vehicle

- Reach the right scale
- Increase profits
- Stabilize volumes

SALES & MARKETING, AFTER SALES
- Double volumes
- Enlarge customer base
- Increase brand visibility
- Increase after sales’ turnover

DEALERS
- Improvement of new Dealer operation standards
- Ensure dedication to the Brand
- Improve quality of the Network
With Urus, we will double the size of our industrial footprint
Lamborghini Plant Expansion
Dealer network: solid base and growth in all regions

Dealer Network Development

+14 (in: 40 / out: 26)

+24


122 129 130 132 136 150 155 160

Milano

Bristol

Yokohama
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Lamborghini…

✓ ... valuable brand
✓ ... innovative super car Company with Italian heritage
✓ ... versatile and high-class products
✓ ... strong growth story and growth perspective
✓ ... sets new standards in the SSUV segment
Disclaimer

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