

# THE ITALIAN SEA GROUP

PICCHIOTTI  
SINCE 1600

ADMIRAL

PERINI NAVI

TECNOMAR

NCA REFIT

## INTERMONTE ROADSHOW MILAN – APRIL 4TH, 2022



# The Italian Sea Group at a glance

3

SHIPYARDS  
IN ITALY

4

BUSINESS  
UNITS

6

SHIPYARDS  
IN EUROPE  
EXCLUDING  
ITALY

648

LAUNCHED  
YACHTS

*The Italian Sea Group S.p.A. is a global operator in the luxury yachting industry, the first Italian builder and the fourth builder worldwide for yachts over 50 mt<sup>1</sup>.*

## BRANDS

**PICCHIOTTI**  
SINCE 1600

 **ADMIRAL**

 **PERINI NAVI**

**TECNOMAR**

**NCA REFIT**

## PARTNERSHIPS

**TECNOMAR** FOR 

  
**GIORGIO ARMANI**

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Notes: 1) Ranking based on 2021 sales (source: Boat International, Global Order Book 2021)

# Shipbuilding and Refit

## SHIPBUILDING

Design, production, and sale of **super-yachts and mega-yachts** up to over 100 mt LOA.

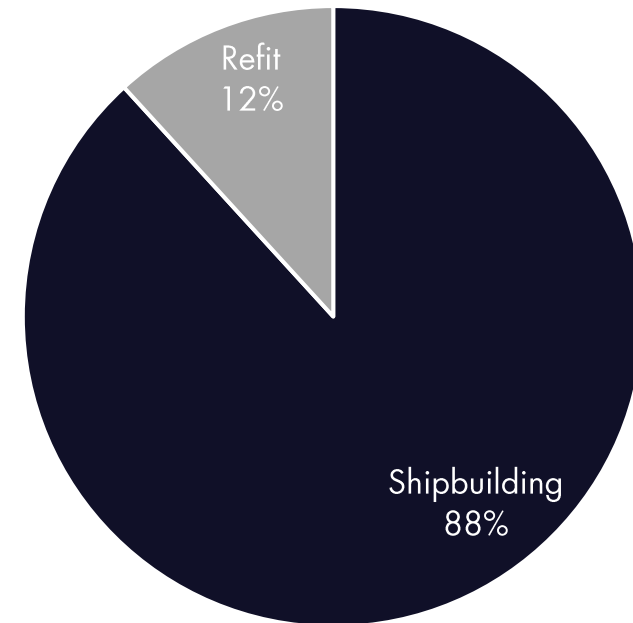
- **Admiral** – focus on yachts over 50 mt
- **Tecnomar** – speedy motoryachts from 37 to 50 mt
- **Tecnomar for Lamborghini 63** – motor yachts in collaboration with Automobili Lamborghini (c. 20 mt)
- **Perini Navi** – sailing yachts over 55 mt

## REFIT

Started in 2015, **NCA Refit** is the business unit dedicated to the refit and ordinary and extraordinary maintenance of sailing and motor yachts from 60 mt to 150 mt.

## NET SALES 2021 BREAKDOWN

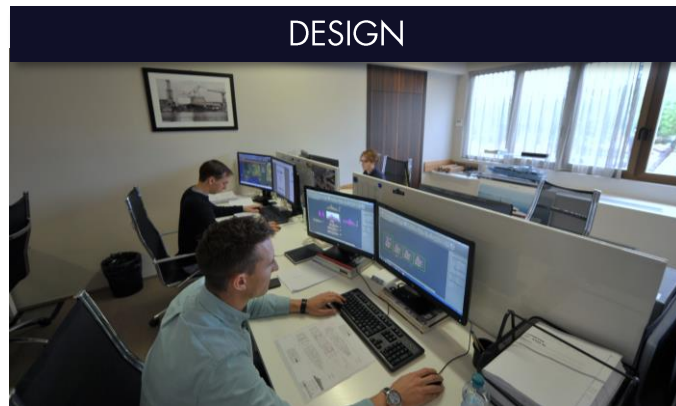
Net Sales 2021  
Eu 186 mn



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# Value-Adding Activities

The Company internalises the most value-adding activities of the supply chain in order to improve cost efficiency and have a higher control on quality.



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# 2021 Highlights



MAR 22<sup>ND</sup>

JUN 8<sup>TH</sup>

JUL 1<sup>ST</sup>

NOV 16<sup>TH</sup>

DEC 22<sup>ND</sup>

The Italian Sea Group inaugurates a new Shed, first step of the "TISG 4.0" investment plan for Eu 38 mn

The Italian Sea Group S.p.A.'s first day of listing on the Italian Stock Exchange.

Delivery of the first Tecnomar for Lamborghini 63 motor yacht.

- Launch of a 75 mt Admiral
- Second step "TISG 4.0": inauguration of the new dry dock.

TISG wins the auction for the acquisition of Perini Navi, Picchiotti and the two shipyards of Viareggio and La Spezia

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# Market Outlook

**9.3%**

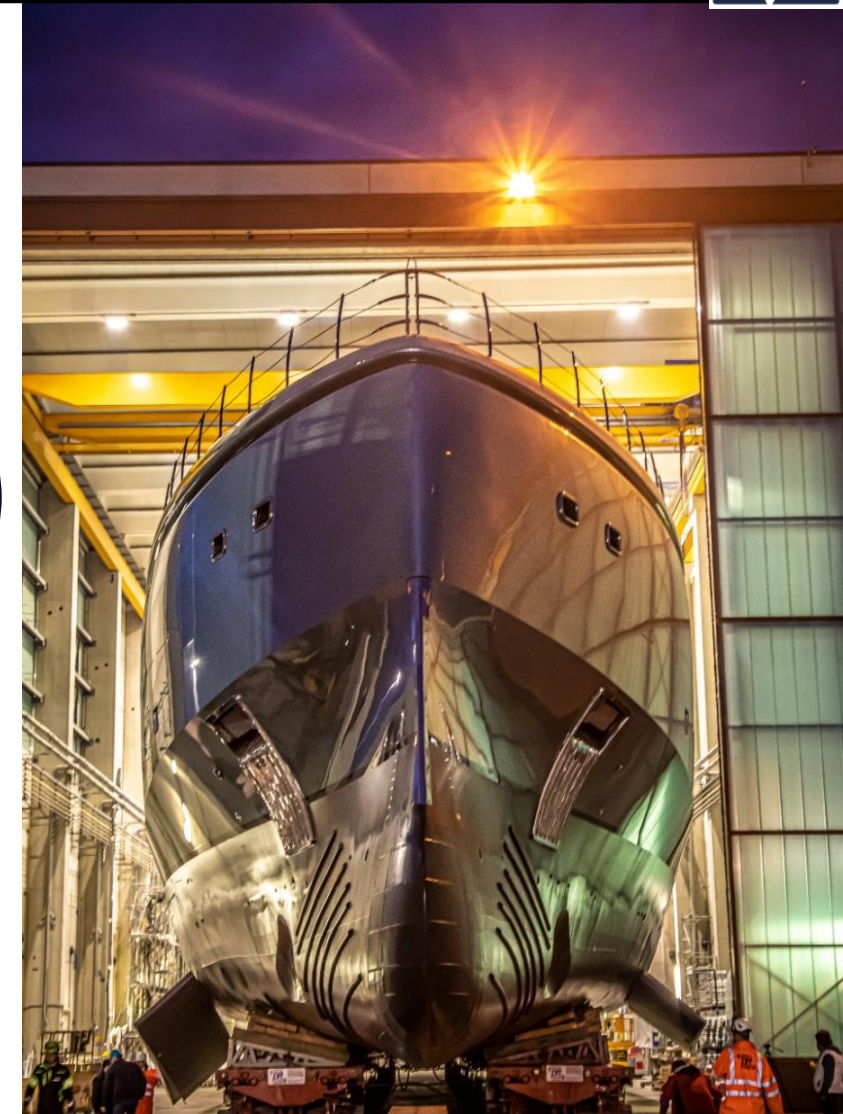
Increase by **9.3%** of the global number of **Ultra High Net Worth Individuals (UHNWI)** in 2021, led by the US, where the number of UHNWIs has increased by **13%**<sup>1</sup>

Increase by **10.5%** in the demand for **yachts over 45 mt**, which represent the Company's focus segment<sup>2</sup>

**10.5%**

**18.6%**

The **sailing yacht market** has recorded its record numbers since 2018, with an increase of **18.6%** with respect to the previous year<sup>2</sup>



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Sources: 1) The Wealth Report 2022, Knight Frank;

2) Global Order Book 2021, Boat International

PICCHIOTTI  
SINCE 1600

ADMIRAL

PERINI NAVI

TECNOMAR

NCA REFIT

# FINANCIALS

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PICCHIOTTI  
SINCE 1800

ADMIRAL

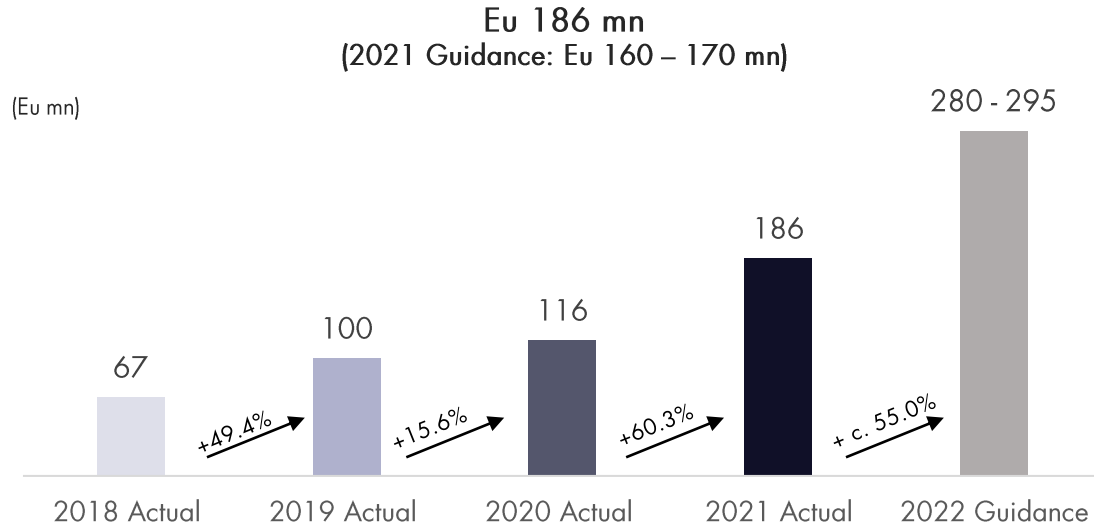
PERINI NAVI

TECNOMAR

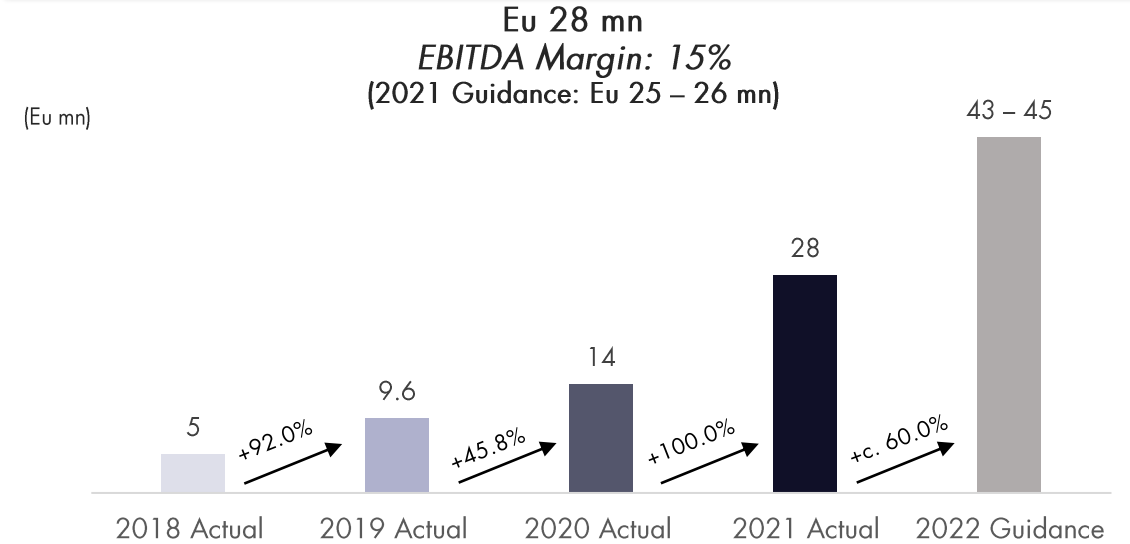
NCA REFIT

# Key Figures 2021 Exceeding the Guidance

## Net Sales FY21



## EBITDA FY21



## Drivers

- Net Sales of Eu 186 mn (+60.3% vs FY2020) driven by: (i) an increase in **new contracts**, especially for the higher dimensional range; (ii) the advancement of orders in progress; (iii) the positive increase in sales related to *Tecnomar for Lamborghini 63*
- EBITDA of Eu 28 mn (+100% vs FY2020) driven by: (i) an increase in **sale prices**, partially reducing the price gap with Northern European competitors; (ii) **cost efficiency** due to in-house investments in facilities and expansion of production capacity; (iii) **low impact** of raw materials price increase, offset by an increase in the sale price of vessels

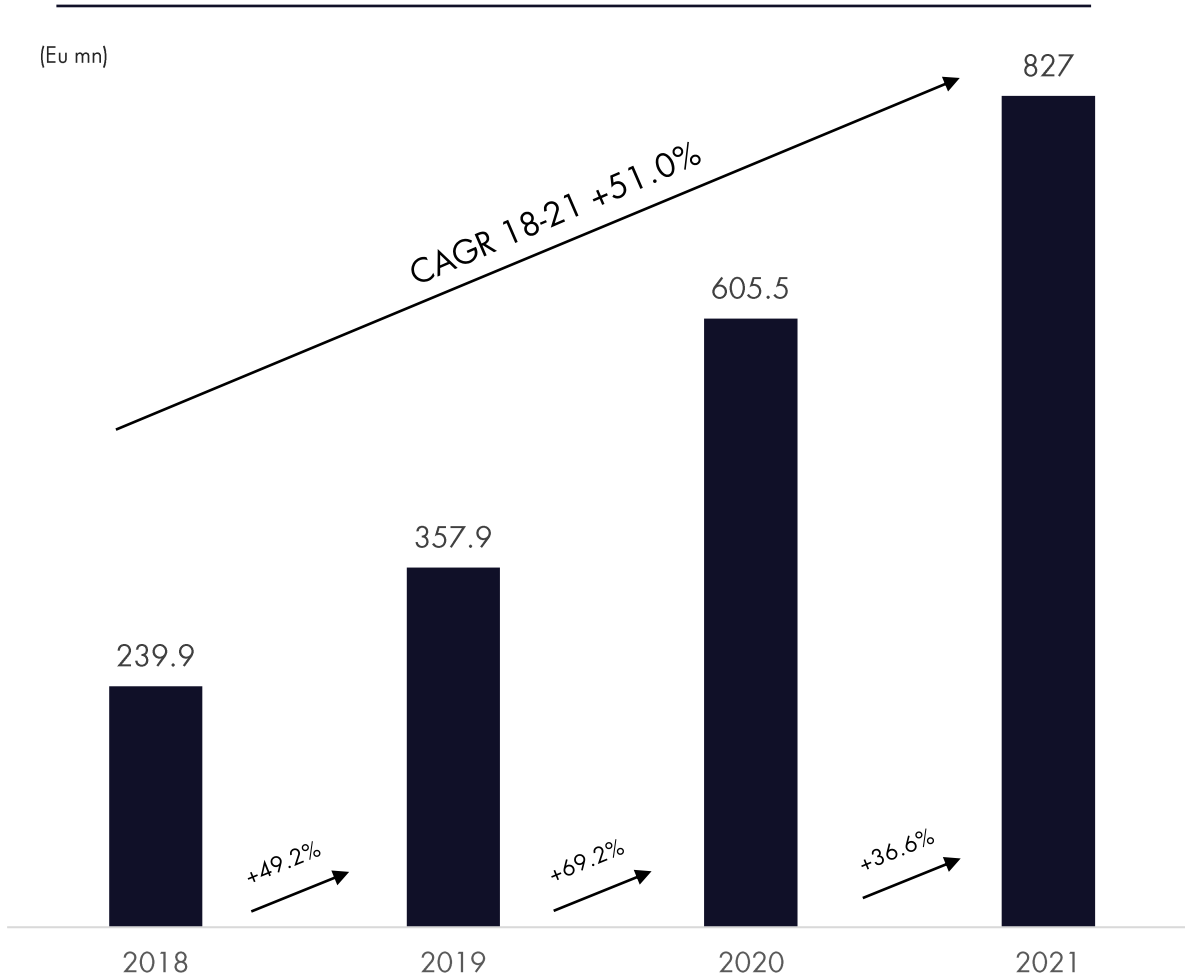
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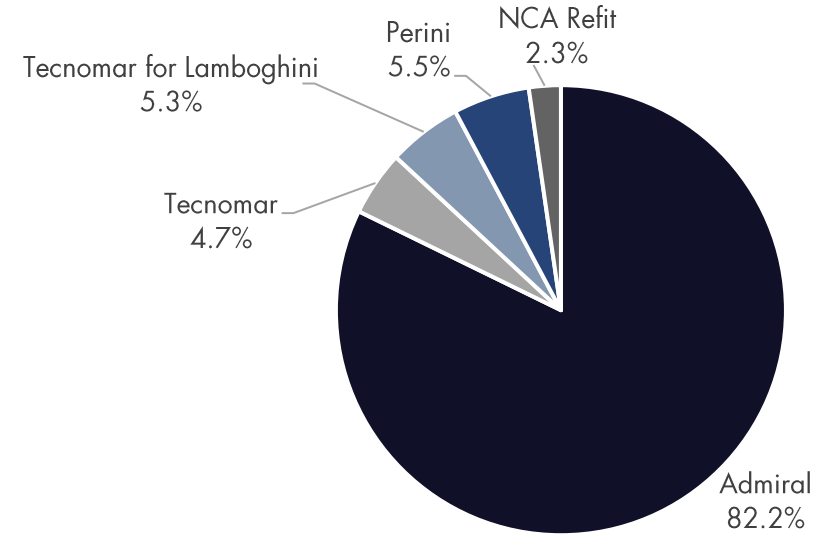
# Order Book Evolution

Order Book<sup>1</sup>

(Eu mn)



Breakdown by brand



Comments

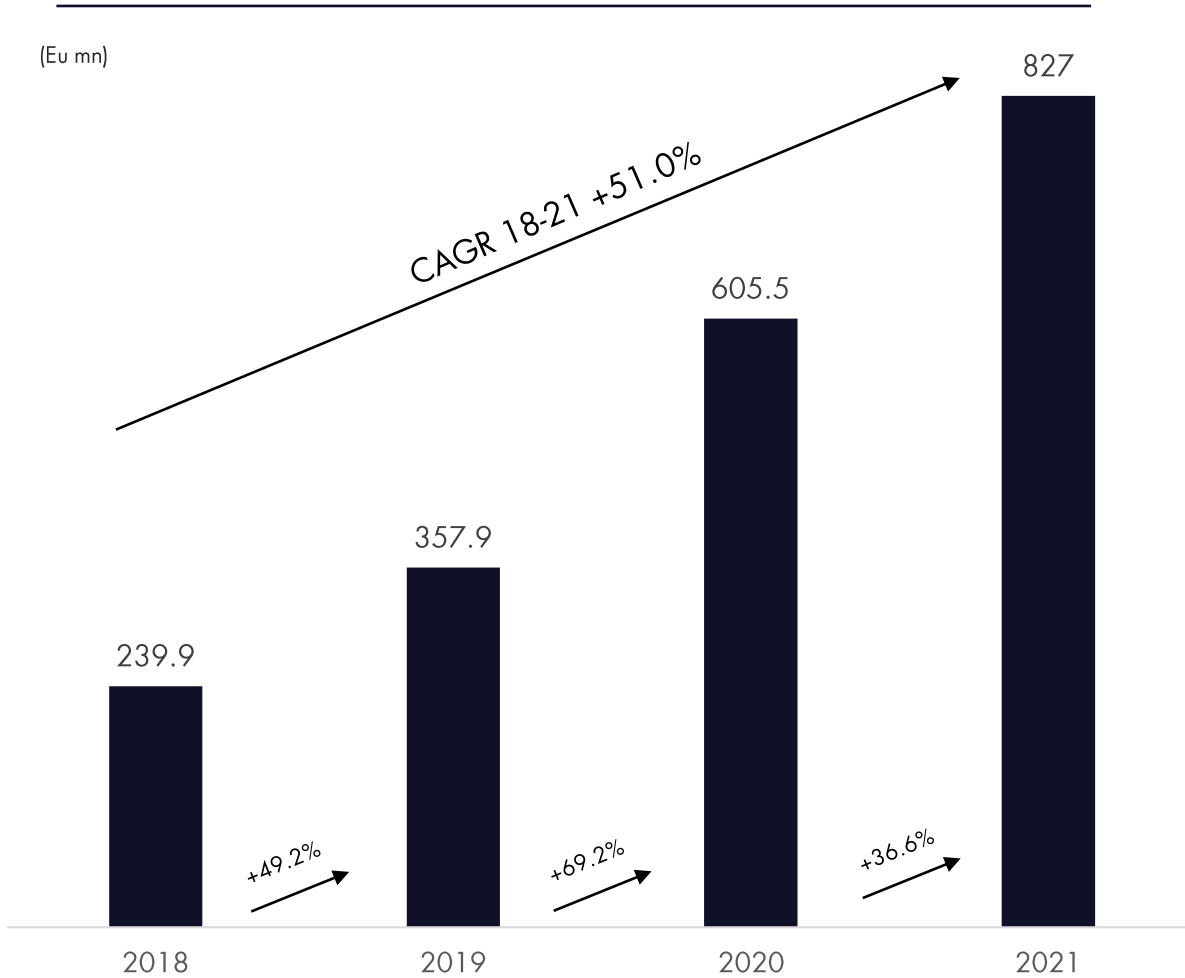
- 14 yachts and mega yachts currently under construction, with visibility up to 2026; c. 80% of orders over 50 mt LOA
- 13 Tecnomar for Lamborghini 63 under construction

Notes: 1) Order Book is equal to the sum of all contract values related to orders in progress;

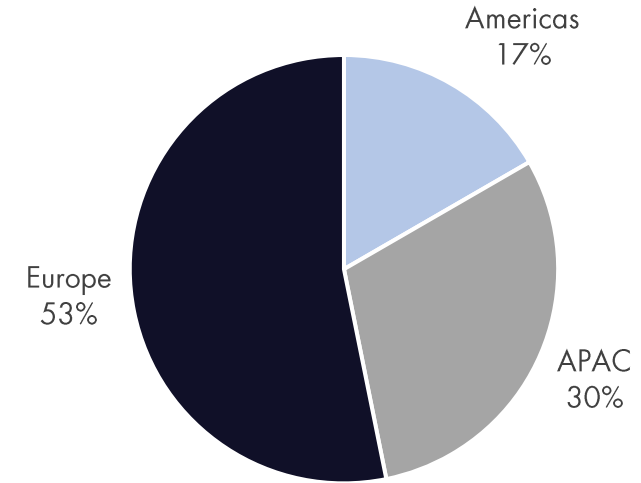
# Order Book Evolution

Order Book<sup>1</sup>

(Eu mn)



Breakdown by geography



Comments

- The breakdown by geographical area reflects the countries of registration of the companies through which customers place orders
- The Company collaborates with the leading international yacht brokers in carrying out strict *due diligence* processes to identify the Ultimate Beneficial Owner (UBO)
- The exposure to **Russia** of the net backlog is represented by a single contract for a 75 mt **Admiral**, 85% completed with a Eu 6mn instalment to be paid

Notes: 1) Order Book is equal to the sum of all contract values related to orders in progress;

# Make-to-Order Strategy – Sales Contract Structure

The Company exclusively produces once the customer places the order, with advance payments of the work progress not refundable to defaulting customers. In addition, the Company does not accept trade-ins, further minimising warehouse risk.

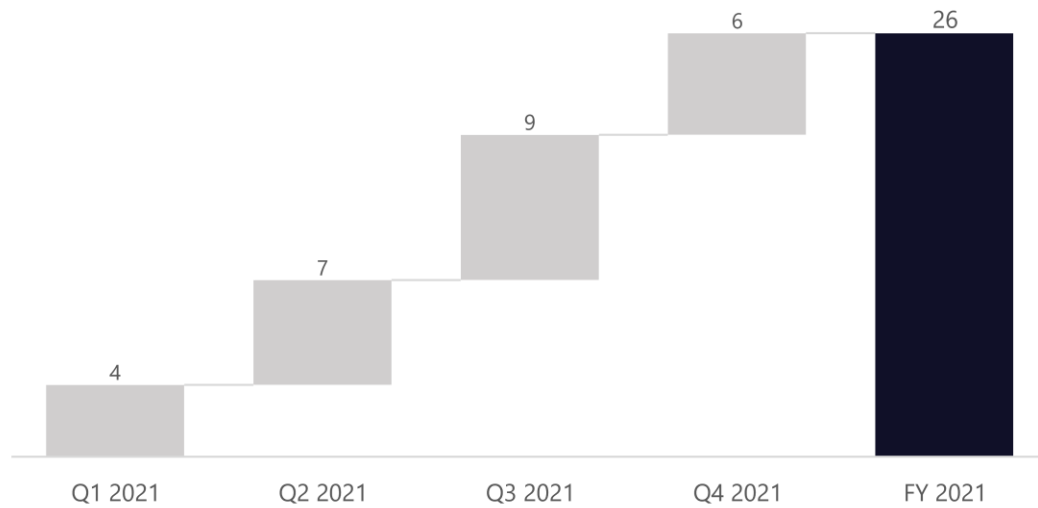
ORDER TYPE	ADVANCE PAYMENTS (% OF PURCHASE PRICE)																			
Over 50 mt LOA	<i>Payment of 11/12 milestones, each worth c.10% of purchase price</i>																			
	Sale contract signature	Keel laying	90% hull completion	Hull and superstructure assembled and completed at 90%	Engine on board	90% fairing	Partitioning of crew area	Partitioning of guest area (Owner)	50% interior completion	Launch	Delivery									
Up to 50 mt LOA	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 16.6%; background-color: #1a2b4d; color: white;">Downpayment 15%</td> <td colspan="3" style="width: 33.3%; background-color: #666666; color: white;">Mid Payment 35%</td> <td colspan="4" style="width: 33.3%; background-color: #999999; color: white;">Mid Payment 35%</td> <td style="width: 16.6%; background-color: #1a2b4d; color: white;">Deilvery 15%</td> </tr> </table>											Downpayment 15%	Mid Payment 35%			Mid Payment 35%				Deilvery 15%
Downpayment 15%	Mid Payment 35%			Mid Payment 35%				Deilvery 15%												
Tecnomar for Lamborghini 63	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%; background-color: #1a2b4d; color: white;">Downpayment 25%</td> <td colspan="3" style="width: 25%; background-color: #666666; color: white;">Mid Payment 25%</td> <td colspan="3" style="width: 25%; background-color: #999999; color: white;">Mid Payment 25%</td> <td style="width: 25%; background-color: #1a2b4d; color: white;">Delivery 25%</td> </tr> </table>											Downpayment 25%	Mid Payment 25%			Mid Payment 25%			Delivery 25%	
Downpayment 25%	Mid Payment 25%			Mid Payment 25%			Delivery 25%													

- No performance guarantees
- Only up to 40% of the advance payments are covered by bank and insurance guarantees granted by The Italian Sea Group

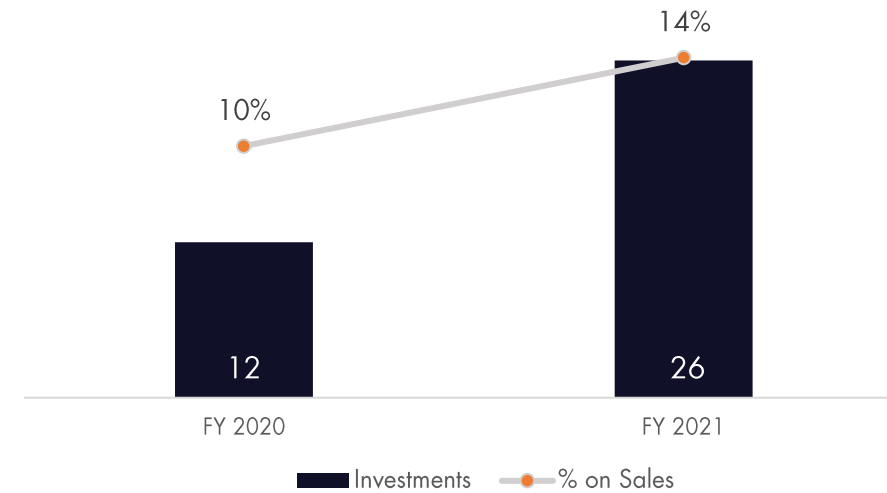
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# CAPEX 2021

## CAPEX EVOLUTION



## CAPEX



## Comments

- Throughout the year, TISG has made investments for **eu 26 mn**, related to the progress of the "TISG 4.0" and "TISG 4.1" investment plans for the expansion of production capacity inside the Marina di Carrara headquarters
- For 2022 the expected investments are of **eu 9 mn** for the completion of "TISG 4.0" and **eu 10 mn** for "TISG 4.1"
- Perini update – in 2022 up to June 2023, there will be a total investment for eu 1.8 mn for the fine tuning of the two Viareggio and La Spezia shipyards, respectively:
  - La Spezia: Eu 1.4 mn
  - Viareggio: Eu 0.4 mn

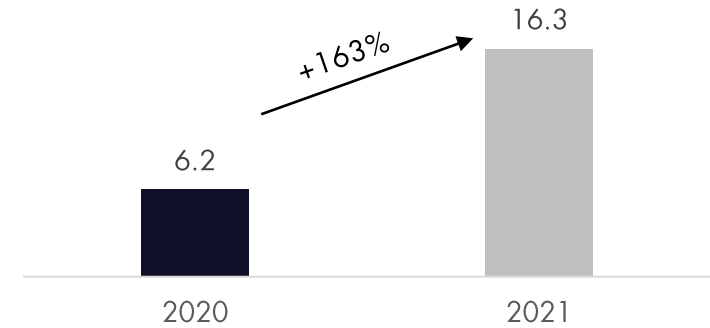
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# Net Result and Dividend Proposal

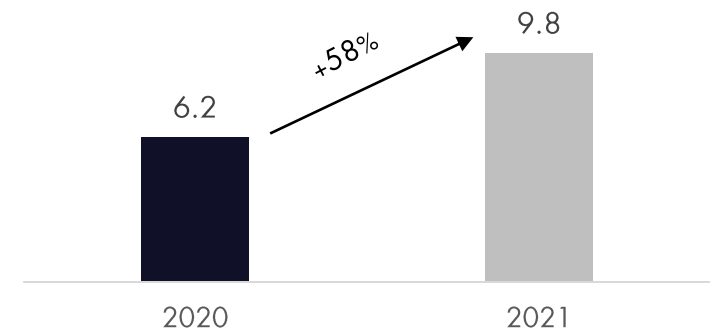
- **Net Result 2021** has increased by 163% vs FY2020, going from Eu 6.2 mn to Eu 16.3 mn
- The **dividend proposal** that the Company will submit to the Shareholders' Meeting on April 29<sup>th</sup> will be of a dividend for Eu 0.185 per share, amounting to a total Eu 9.8 mn

## Net Result 2020 vs 2021

(Eu mn)



## Dividend Proposal 2020 vs 2021

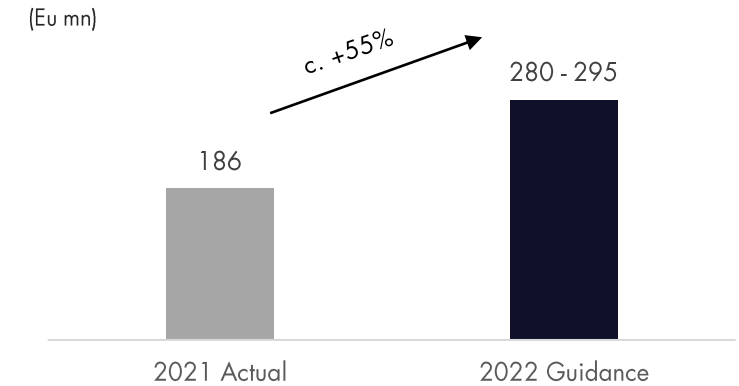


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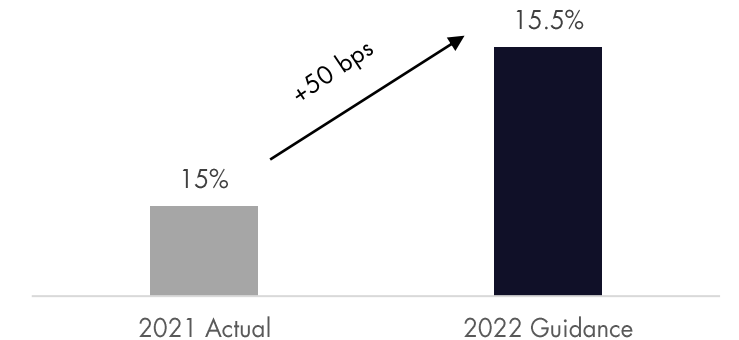
# 2022 Guidance

- **Net Sales 2022** rising by c. 55% vs FY2021, driven by the progress of already existing contracts and from an expected increase in demand for yachts in the higher dimensional range
- **EBITDA Margin** is expected to reach 15.5% in 2022, driven by:
  - Increase in **production capacity** due to the advancement of investment plans "TISG 4.0" and "TISG 4.1", as well as the speedy start-up of the Viareggio and La Spezia shipyards with a limited amount of investments (Eu 1.8 mn in the 2022-2023 period);
  - Increase of **sale prices**, improving marginality and offsetting the rise in raw material costs

## Net Sales Guidance 2022



## EBITDA Margin Guidance 2022



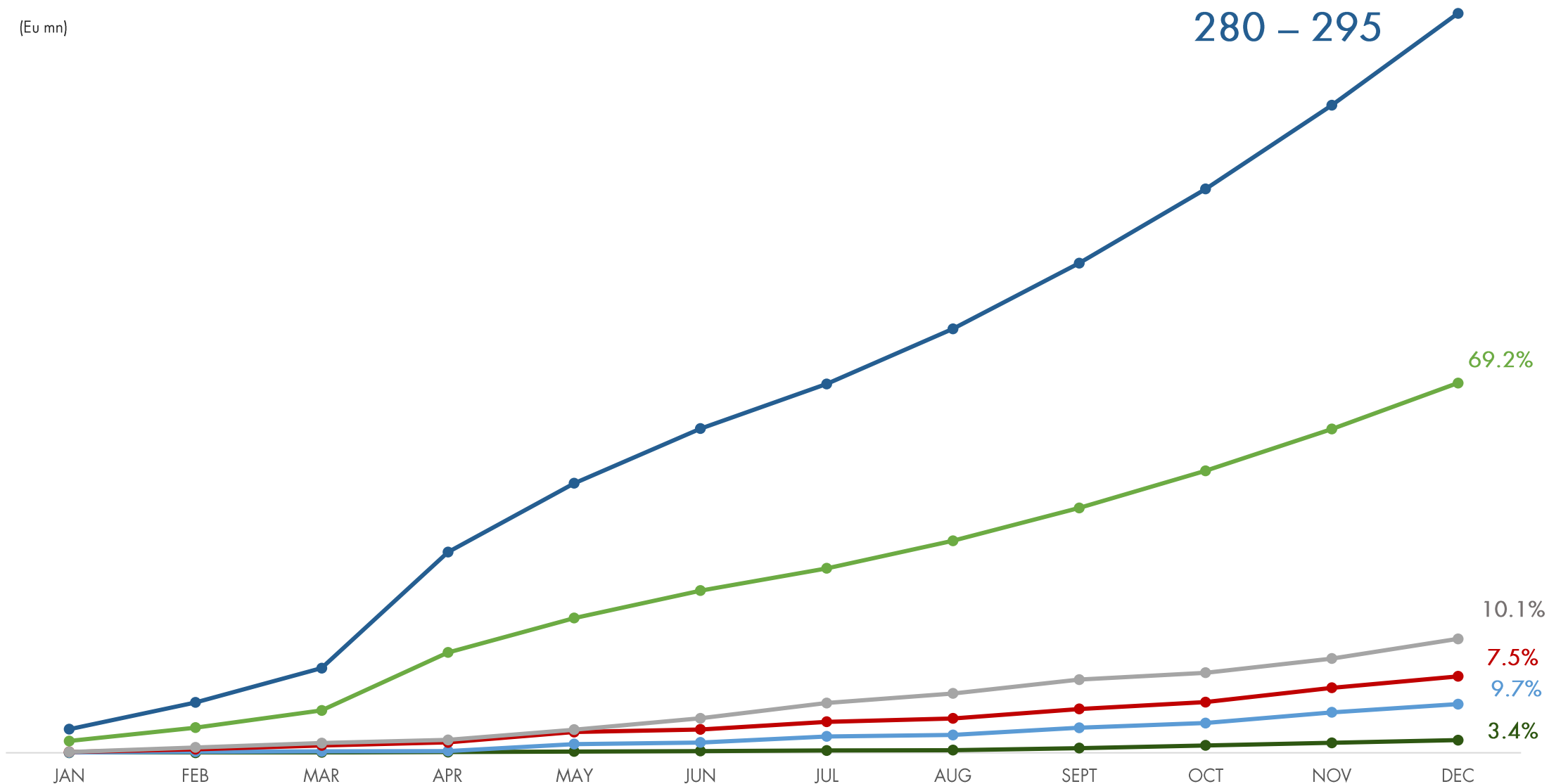
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# Net Sales 2022 Guidance



>80% of 2022 Guidance comes from the recording of the instalments of orders already in progress for Shipbuilding and Refit.

(Eu mn)



Net Sales  
Guidance 2022

Sales from Orders  
in Progress  
(Admiral-Tecnomar-  
Lambo)

Sales form Perini

Sales from Progress  
Refit

2022 Contracts  
(Shipbuilding)

2022 Contracts  
(Refit)



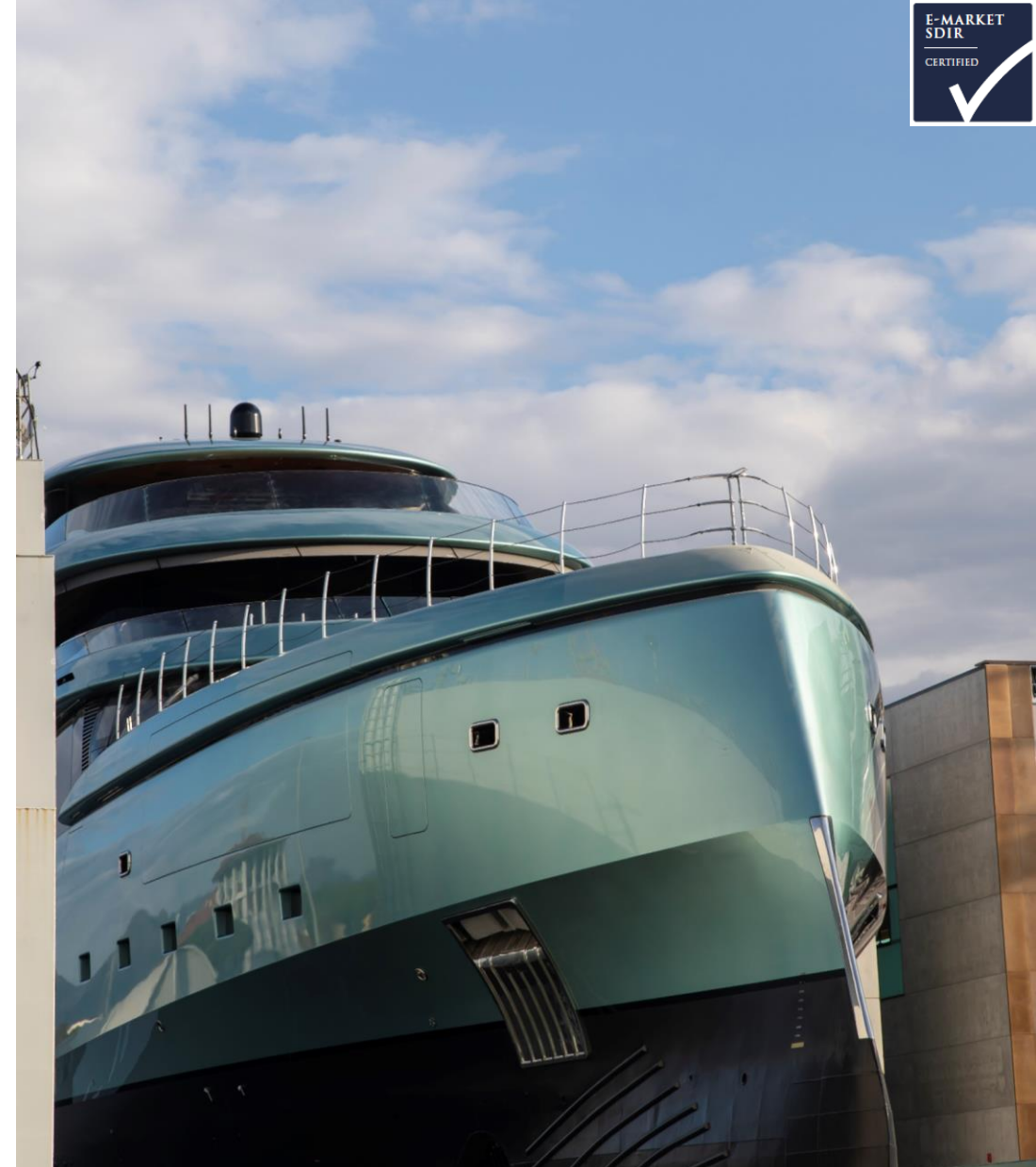
# STRATEGY

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# Our Strategy in Action

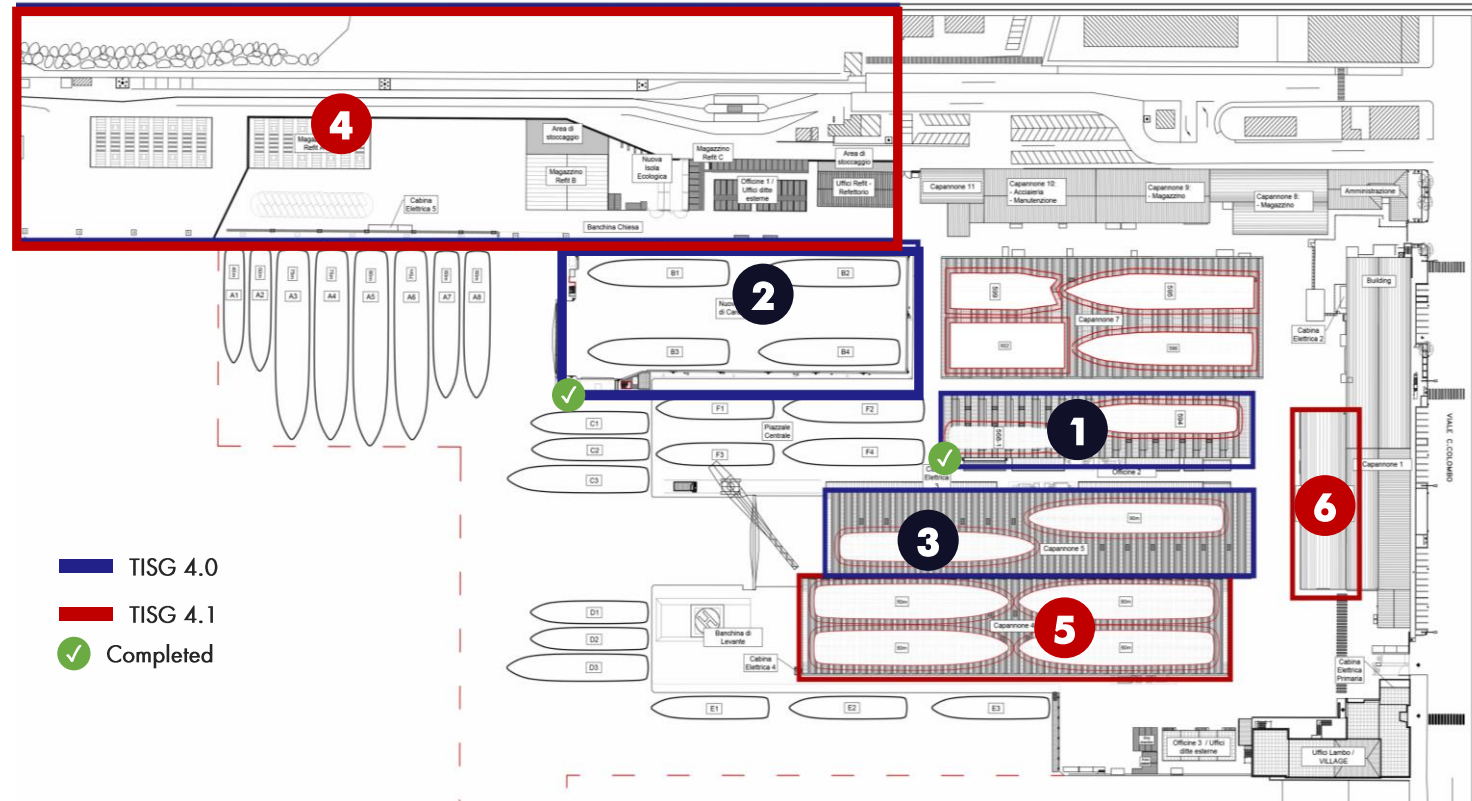
- ✦ Focus on **larger dimensions** for vessels, up to **over 100 mt LOA**, granting better backlog coverage and higher visibility.
- ✦ Expansion of **production capacity** in the Headquarters through investment plans **"TISG 4.0"** and **"TISG 4.1"**
- ✦ Start up of **Perini Navi** production sites in Viareggio and La Spezia, with **Eu 1.8 mn** of investments in the 2022-2023 time period.
- ✦ Relaunch of heritage brands **Perini Navi** and **Picchiotti** through dedicated advertising campaigns and exclusive events.
- ✦ Enhancement of the Company's positioning in the **luxury industry**, also through the development of **new partnership agreements** with leading **luxury brands**.
- ✦ Externalisation of **less strategic phases** of the **supply chain** in specialised European shipyards.



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# Investment Plans – “TISG 4.0” and “TISG 4.1”

- “TISG 4.0” Investment plan approved in early 2020 for Eu 38 mn to expand production capacity by 40%, with Eu 9 mn to be invested in 2022
- “TISG 4.1” Investment plan approved on November 4th, 2021 for Eu 14 mn inside the Marina di Carrara shipyard, with Eu 10 mn to be invested in 2022



## “TISG 4.0”

- 1 New shed with the capacity to accommodate up to two 80 mt yachts [completed]
- 2 New dry dock with a maximum capacity of 5 yachts between 60 and 70 mt and vessels up to 140 mt [completed]
- 3 New shed on the old dry dock, with capacity up to two 90 mt yachts

## “TISG 4.1”

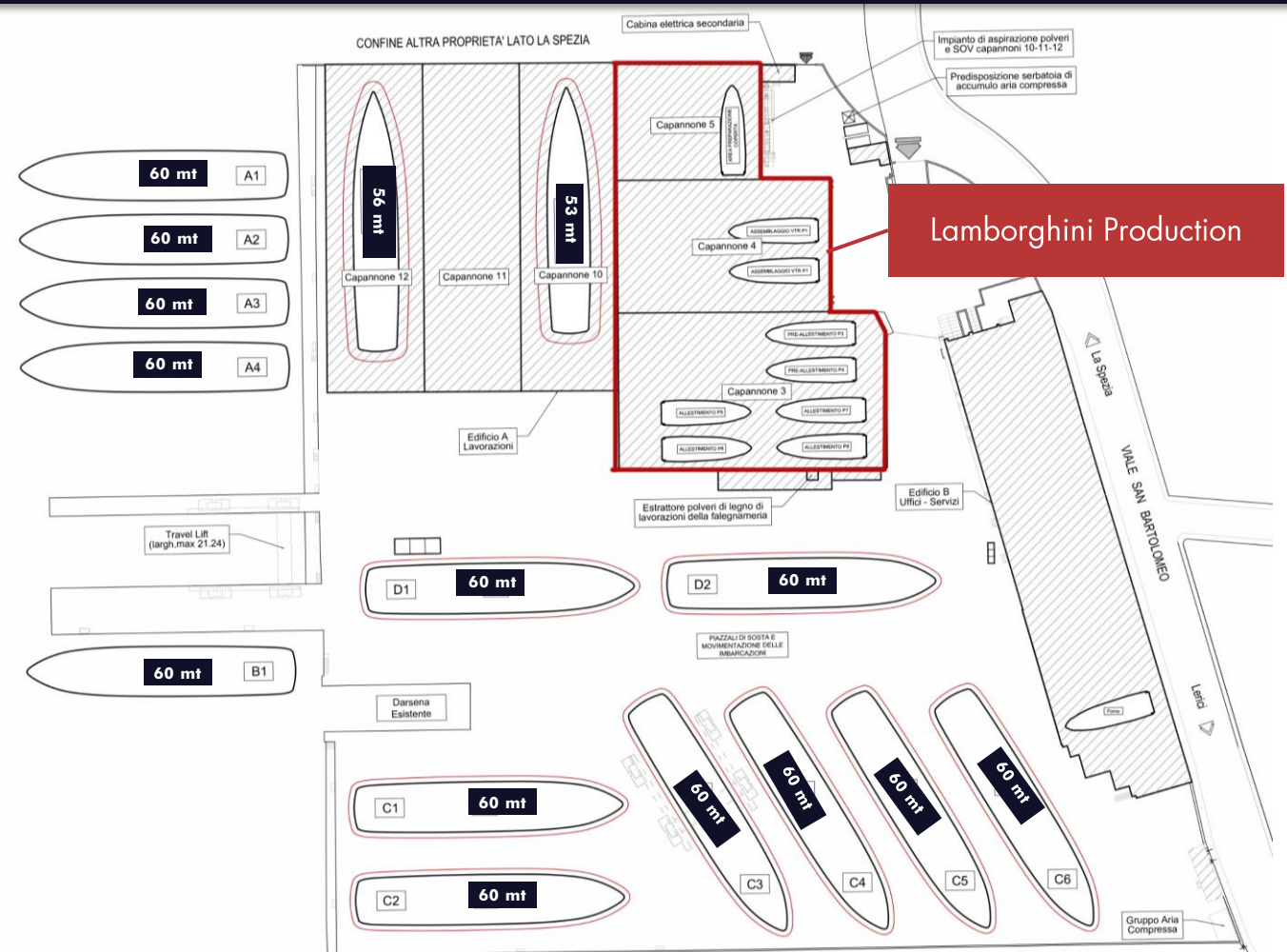
- 4 Expansion on the Chiesa Dock to expand spaces dedicated to refit activities and moorings of yachts
- 5 New shed next to the old dock, with capacity of 4 yachts from 75 – 80mt
- 6 New spaces dedicated to (i) warehouse, (ii) painting and (iii) upholstery

# Perini Navi Acquisition – La Spezia Production Facilities

## LA SPEZIA

Equipped with impressive infrastructures, including new hangars and an expansive dock front, La Spezia has gained a solid reputation in refit.

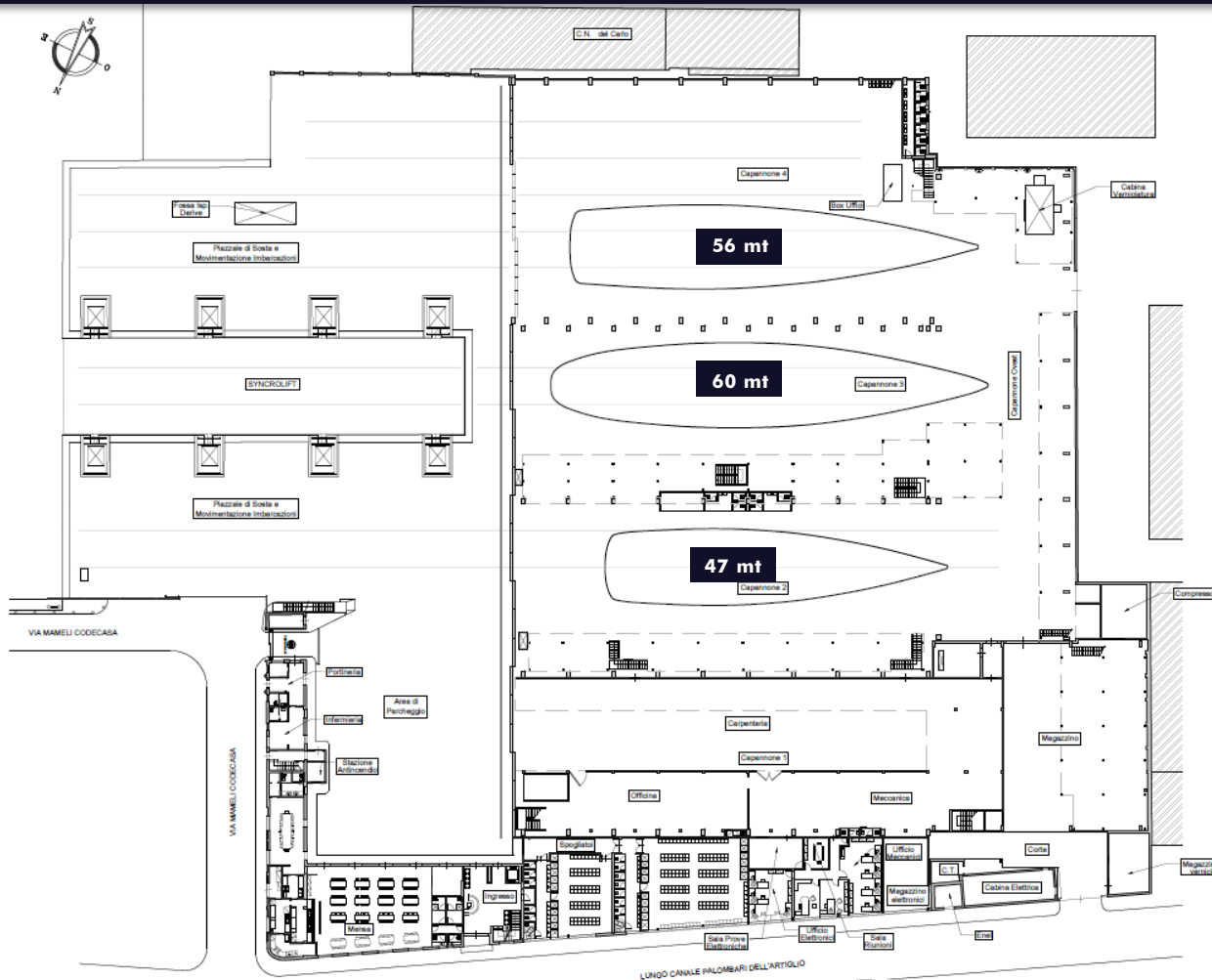
- Production facilities dedicated to refit, with a contemporaneity up to 16 orders of c. 60 mt LOA
- Production facilities dedicated to Tecnomar for Lamborghini 63



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# Perini Navi Acquisition – Viareggio Production Facilities

## VIAREGGIO



*Viareggio is where the Perini Navi headquarters are located and where nearly all of the Perini Navi sailing yachts are built.*

- Production facilities dedicated to sailing yacht production
- Set up of a historical Museum dedicated to the Perini Navi brand heritage



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# "ESG" (Environmental, Social & Governance) – 360° Approach to Sustainability

*The Italian Sea Group's sustainable approach is broad and transversal, embracing all areas of the Company.*



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“I grandi sogni non devono mai finire”

Giovanni Costantino

Founder & CEO - The Italian Sea Group

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# APPENDIX



# "ESG" (Environmental, Social & Governance) – 360° Approach to Sustainability

*The Italian Sea Group's sustainable approach is broad and transversal, embracing all areas of the Company.*



## PRODUCTION SITES

## SUSTAINABILITY

1

- Energy efficiency project of the facilities, through the installation of photovoltaic systems on all sheds on a surface of 22,000 sqmt, for 5,375 panels and a total production capacity of 2,571 MWh/year, equivalent to 25% of the total energy consumption of the construction site
- Conversion of the company fleet with electric hybrid drive cars and installation of 22kw electric columns
- Reduction of plastic consumption and use of recycled paper in offices
- Advanced recycling and waste management systems with a dedicated ecological oasis, with individual sections divided by material, and tight internal controls in the storage phase carried out by the Company's quality department
- Organization of a Committee dedicated to the management and integration of sustainable issues within the company's projects, with incentives for Management linked to sustainable KPIs



## "GREEN" YACHTS

## SUSTAINABILITY

2

- Use of sustainable materials, from steel and aluminium hulls (100% recyclable) to **synthetic teak**
- The Company is working on sustainable innovation for the reduction of the emissions of its own products: majority of the vessels under construction are equipped with diesel-electric propulsion systems, and TISG's R&D department, in collaboration with specialised entities, is carrying out studies related to alternative propulsions (e.g. hydrogen)
- Partnership opportunities with leading companies in the electric propulsion industry
- The consolidation in the sailing yacht segment represents an opportunity of sustainable development for the Company in terms of reduction of emissions, through the implementation of battery packages that allow the ship to operate for approximately **8 hours in «total green»**

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# "ESG" (Environmental, Social & Governance) – 360° Approach to Sustainability

The Italian Sea Group's sustainable approach is broad and transversal, embracing all areas of the Company.



## TRAINING

## SUSTAINABILITY

3

- Investment in continuous training of employees for the development of internal know-how through the TISG Academy, a project in collaboration with the best Italian Universities for the Faculties of Naval Engineering and Yacht Design
- Periodic motivational coaching, to stimulate the well-being of employees in working and private life, ensuring a 360° training



## PLACE OF WORK AND SAFETY

## SUSTAINABILITY

4

- State-of-the-art facilities for the maximum comfort of employees during working hours, with spaces dedicated to the wellbeing of the workforce like the Village, a location inside the shipyard that provides services such as Gourmet Restaurant, Gym and SPA, which transform the shipyard into a real « *nautical boutique* »
- Investments in sanitisation and air purification systems, bringing the impact of COVID-19 infections on employees close zero
- **Employee insurance:** the Company has opened, for each employee of order and grade, a life insurance and insurance for accidents of serious importance, both at work and in everyday life. In the event of death, an employee receives 5 times their salary RAL and in the case of a serious accident, 6 times their salary RAL



## EMPLOYEE OPPORTUNITIES

## SUSTAINABILITY

5

- Strong female representation within the Company (c. 20% of internal resources), both in the Top and Middle Management and in Corporate Governance (2/3 of the Independent Directors of the Board of Directors and 1/3 of the members of the Board of Statutory Auditors are women), with a strong emphasis on equal pay between genders
- Large investment in the training of a young workforce (25 - 40 years) with great growth opportunities for young people

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# "ESG" (Environmental, Social & Governance) – 360° Approach to Sustainability

*The Italian Sea Group's sustainable approach is broad and transversal, embracing all areas of the Company.*



## SUPPORT TO SUPPLIERS

- Agreement with UniCredit Factoring for the support and financing of small local companies that are part of the supply chain. The agreement provides a ceiling of Eu 5 mn, thus giving them the possibility to finance their working capital thanks to simple and immediate access to liquidity
- The Company's CEO is President of the **Nautical Commission of Confindustria Tuscany** - this allows to TISG to be present in the decisions of development of the territory and to facilitate all the stakeholders involved in the local yachting industry
- Organization of periodic meetings of technical discussion and updates between suppliers and Top Management, held at the TISG Academy

## SUSTAINABILITY

6



## ACTIVITIES FOR THE LOCAL COMMUNITY

- Job creation for small local businesses, such as suppliers and subcontractors
- Training, through the TISG Academy, of the graduates of the Universities of La Spezia and Genoa
- Strong presence on the territory through the sponsorship of infrastructure and services to support the community
- In May 2020, The Italian Sea Group donated Eu 25,000 to the municipality of Carrara as a contribution to the emergency COVID-19

## SUSTAINABILITY

7

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