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Regolamentata
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Oggetto : H1 2020 Results Presentation - updated for
the Italian Equity Week with prel. cons.
backlog and net financial position as at 31-
Aug-2020 (unaudited)

Testo del comunicato

Vedi allegato.

H1 2020 FINANCIAL RESULTS AND OUTLOOK



SANLORENZO

STRONG H1 RESULTS, CONFIRMED RESILIENCY



Prototype 44Alloy



Prototype 62Steel

- **RE-START OF THE PRODUCTION AT FULL SPEED IN ALL FACILITIES ON 4 MAY (STOP LIMITED TO 28 WORKING DAYS) , DESPITE ITALIAN RECORD LOCKDOWN**
- **ALL FACILITIES IN FULL OPERATION ALSO DURING THE MONTH OF AUGUST, IN ORDER TO ACHIEVE FULL RECOVER BY END OF THE YEAR**
- **SANLORENZO BUSINESS MODEL ONCE AGAIN PROVING RESILIENCY THROUGHOUT THE CYCLE**
 - ORDER BACKLOG EQUAL TO €566M, UP BY €65M IN Q2 2020, THANKS TO SOLID EXISTING “SL CUSTOMER CLUB”
 - LOYAL CUSTOMER BASE BELONGING TO THE WEALTHIEST FAMILIES LESS IMPACTED BY ECONOMIC DOWNTURN
 - 91% OF ORDER BACKLOG COVERED BY FINAL CLIENTS
- **STRONG H1 2020 RESULTS, DESPITE SIGNIFICANT IMPACT OF COVID-19 ON MARKET ACROSS GEOGRAPHIES AND INDUSTRIES**
 - TOP LINE RESILIENCE
 - SIGNIFICANT MARGIN IMPROVEMENT
 - NET DEBT REDUCTION COMPARED TO Q1 2020

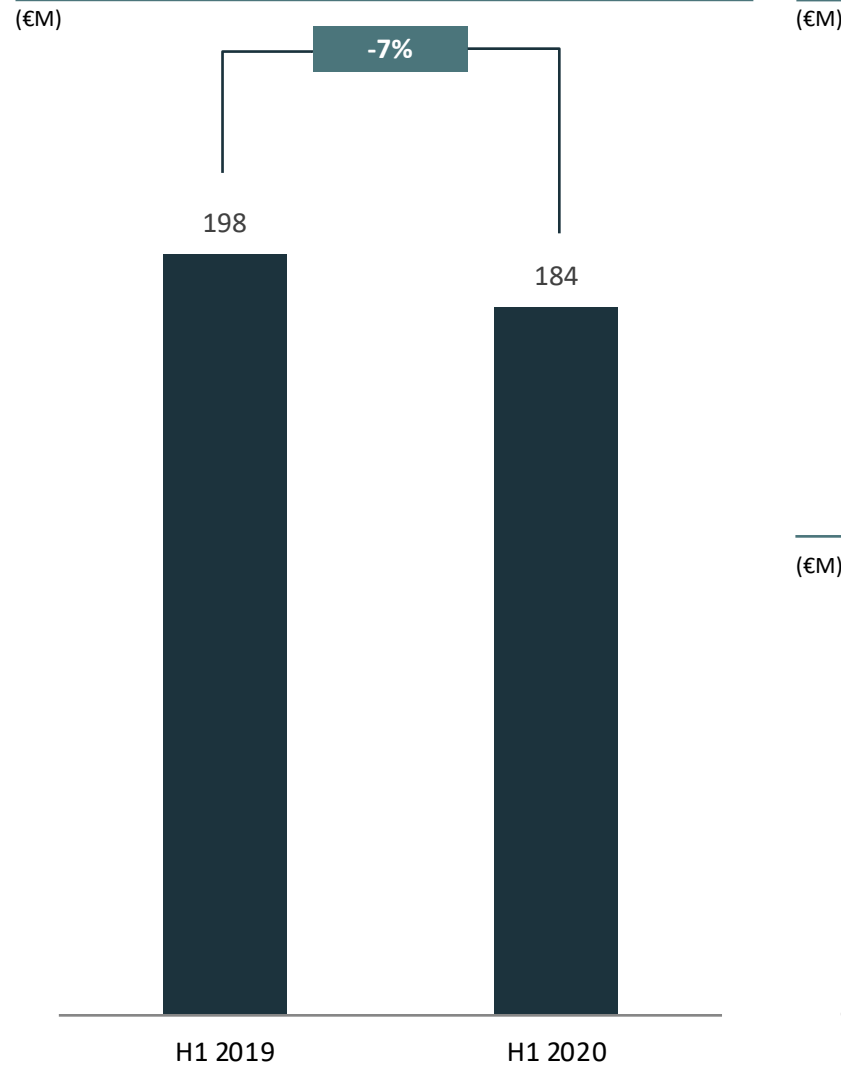
- **SANLORENZO CONFIRMS 2020 EXPECTED RESULTS IN LINE WITH 2019**

H1 2020 FINANCIAL HIGHLIGHTS

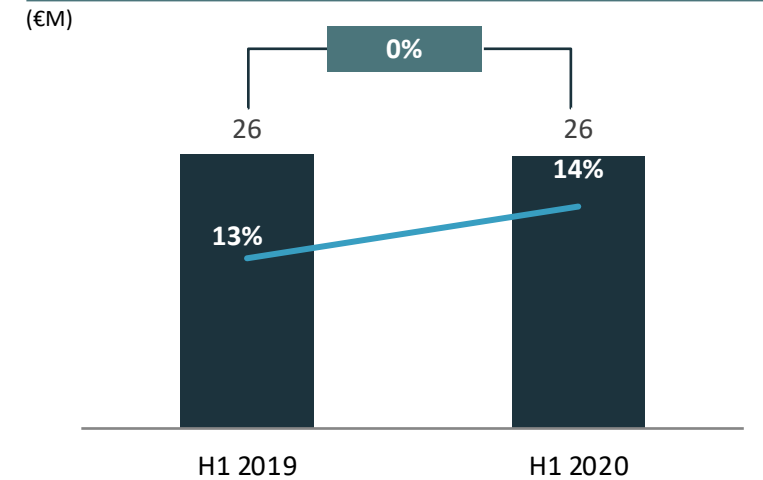
COMMENTARY

- **RESILIENCY OF NET REVENUES NEW YACHTS** NOTWITHSTANDING THE IMPACT OF COVID-19, ESPECIALLY IN Q2 2020
- **GROWTH IN PROFITABILITY MARGIN ON NET REVENUES NEW YACHTS**
 - **ADJ. EBITDA MARGIN: 14% IN H1 2020 (+1% vs H1 2019) AND ADJ. EBITDA: €26M IN H1 2020, IN LINE WITH H1 2019**
 - **GROUP NET INCOME MARGIN: 6% IN H1 2020 (+1% vs H1 2019) AND GROUP NET INCOME: €11M IN H1 2020 IN LINE WITH H1 2019**

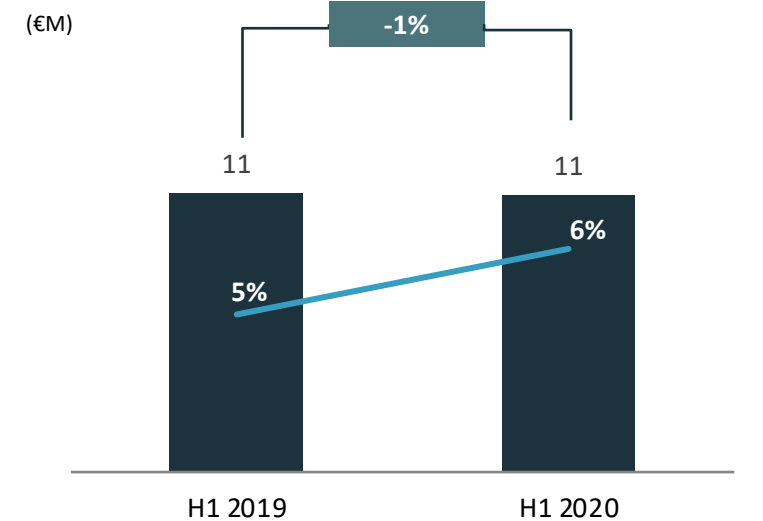
NET REVENUES NEW YACHTS¹



ADJ. EBITDA²



GROUP NET INCOME



Source: Company's information.

¹ Excluding GP Yachts contribution to H1 2019 (€7,7m), sold in July 2019.

² Defined as EBIT + D&A. In H1 2020 excludes €0,7 million costs related to 2020 Stock Option Plan, and Covid-19 costs.

ORDER BACKLOG – 31 AUGUST 2020

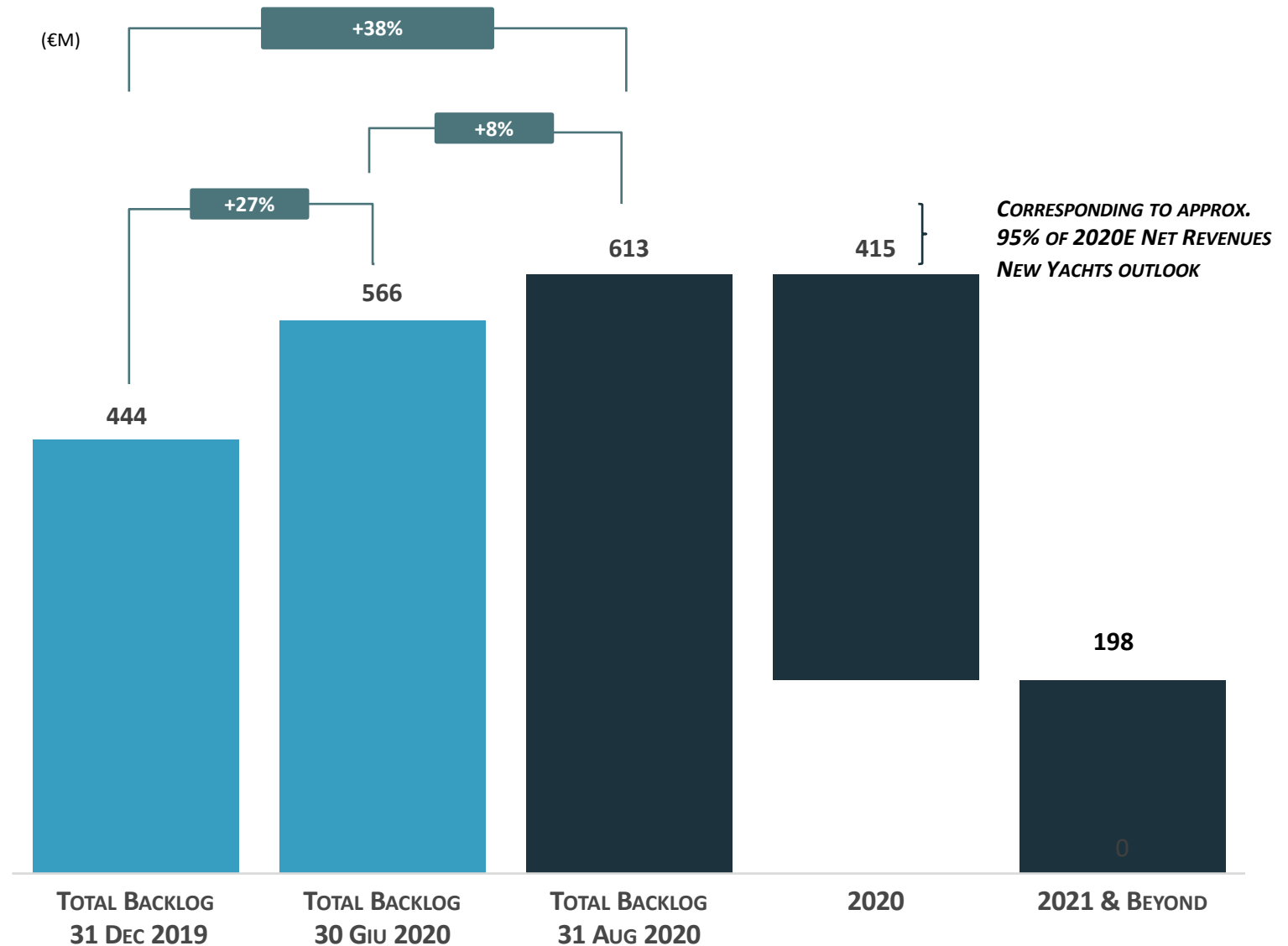
COMMENTARY

ORDER BACKLOG COMPOSITION AS OF 31 AUGUST 2020

- ORDER BACKLOG EQUAL TO €613M AS OF 31 AUGUST 2020 IN LINE WITH BACKLOG AS OF 31 AUGUST 2019 OF €604M (AND +38% VERSUS 31 DECEMBER 2019), INCREASED VS H1 2020 THANKS TO €47M NEW CONSTRUCTS IN JULY/AUGUST 2020

- OF WHICH ABOUT 90% COVERED BY FINAL CLIENTS
- OF WHICH €415M RELATING TO 2020 (+7% VERSUS H1 2020)

- H2 2020 ORDER INTAKE IS EXPECTED TO BE SUPPORTED BY A PLAN OF TARGETED MARKETING AND COMMERCIAL ACTIONS IN PLACE FROM SEPTEMBER 2020

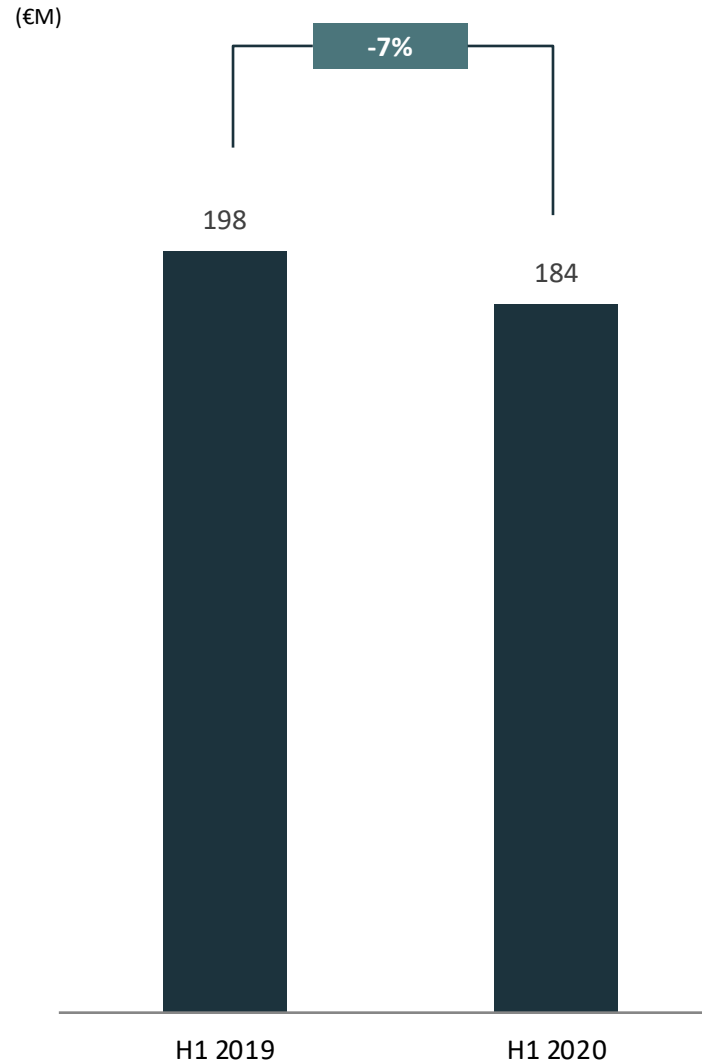


FOCUS ON NET REVENUES NEW YACHTS

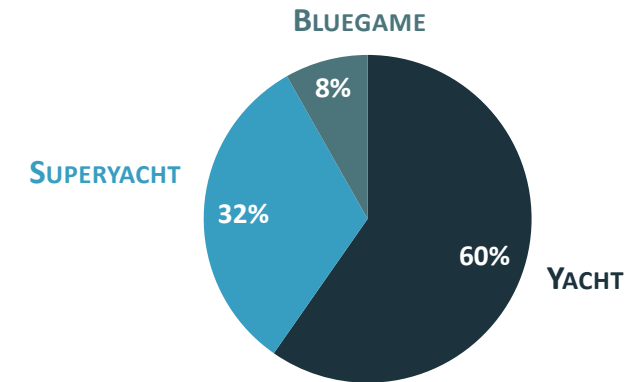
COMMENTARY

- **H1 2020 NET REVENUES NEW YACHTS AT €184M**
 - -7% vs H1 2019¹
- **BREAKDOWN BY DIVISION**
 - **YACHT -12% vs H1 2019**
 - **SUPERYACHT -10% vs H1 2019**
 - **BLUEGAME +103% vs H1 2019**
- **BREAKDOWN BY GEOGRAPHY**
 - **EUROPE 61% vs 63% H1 2019**
 - **AMERICAS 11% vs 15% H1 2019**
 - **APAC 19% vs 17% H1 2019**
 - **MEA 9% vs 5% H1 2019**

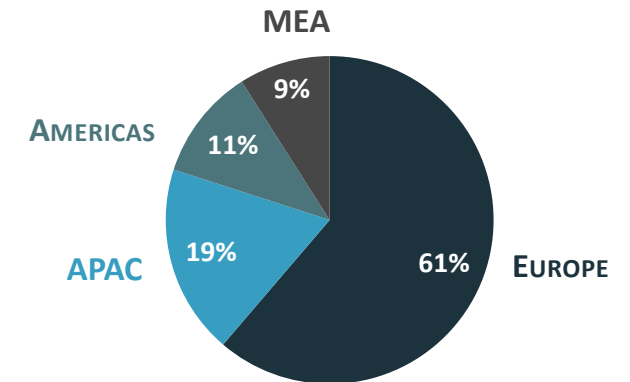
NET REVENUES NEW YACHTS¹



BREAKDOWN BY DIVISION



BREAKDOWN BY GEOGRAPHY



Source: Company's information.

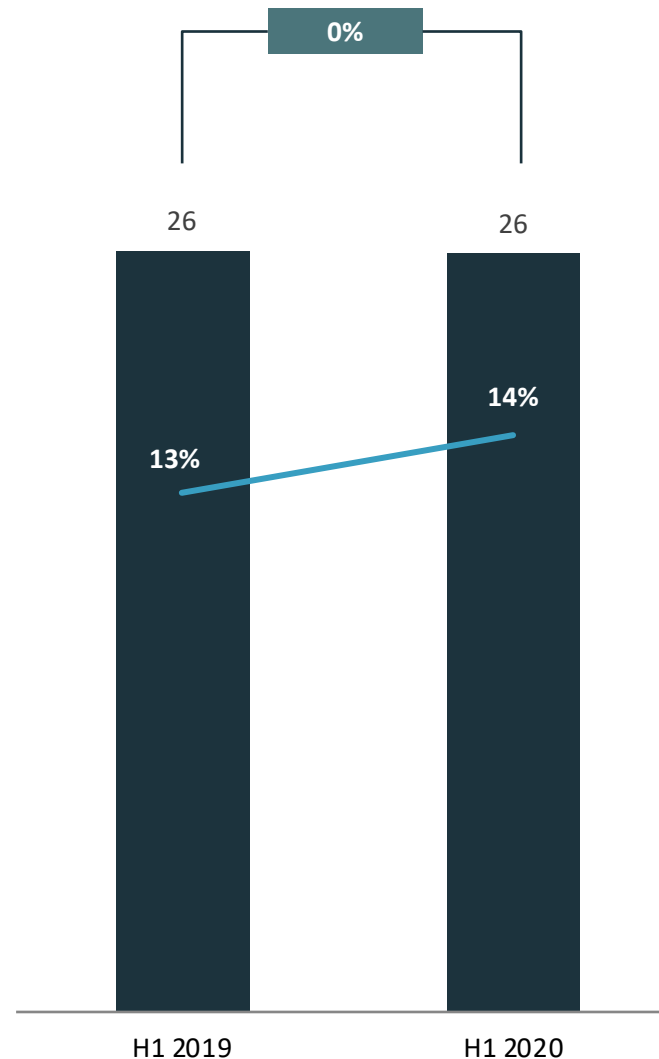
¹ Excluding GP Yachts contribution to H1 2019 (€7,7m), sold in July 2019.

FOCUS ON PROFITABILITY

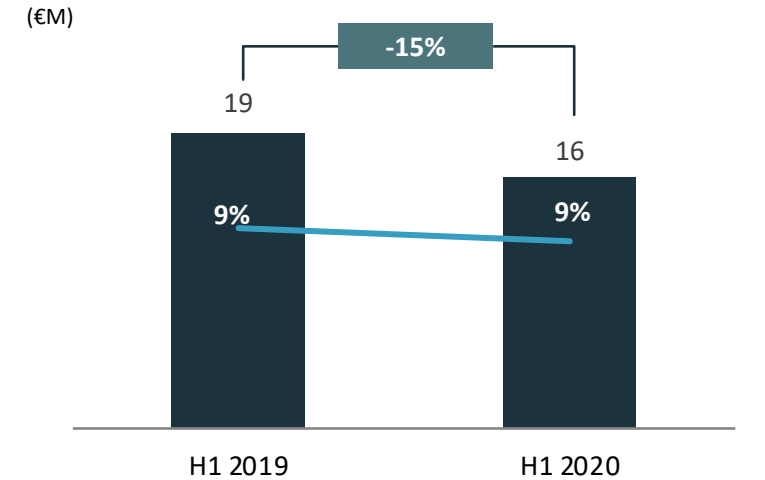
COMMENTARY

- **SIGNIFICANT ADJ. EBITDA RESULT:** 14% EBITDA MARGIN (+140BPS VS H1 2019) MAINLY DRIVEN BY:
 - HIGHER SELLING PRICES
 - LOWER OPERATING COSTS
 - INCREASED EFFICIENCY THANKS TO FULLY OPERATIONAL NEW PRODUCTION CAPACITY
- **EBIT MARGIN H1 2020 IN LINE WITH H1 2019 AND REFLECTING D&A INCREASE CONNECTED TO INDUSTRIAL CAPEX**
- **GROUP NET INCOME MARGIN EXPANSION: 6% IN H1 2020 VS 5% IN H1 2019**
 - FINANCIAL EXPENSES DECREASED (-50%), REFLECTING LOWER INDEBTEDNESS AND IMPROVED BANK CONDITIONS
 - LOWER INCIDENCE OF TAXES

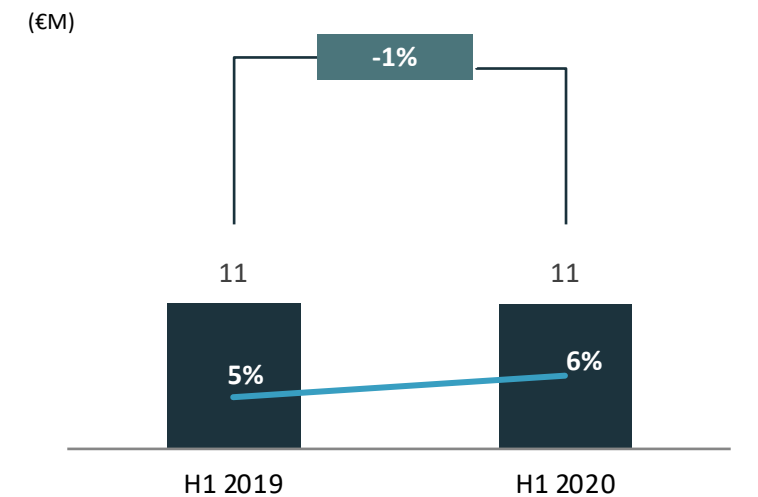
ADJ. EBITDA¹



EBIT



GROUP NET INCOME



— MARGIN (AS % OF NET REVENUES NEW YACHTS)

Source: Company's information.

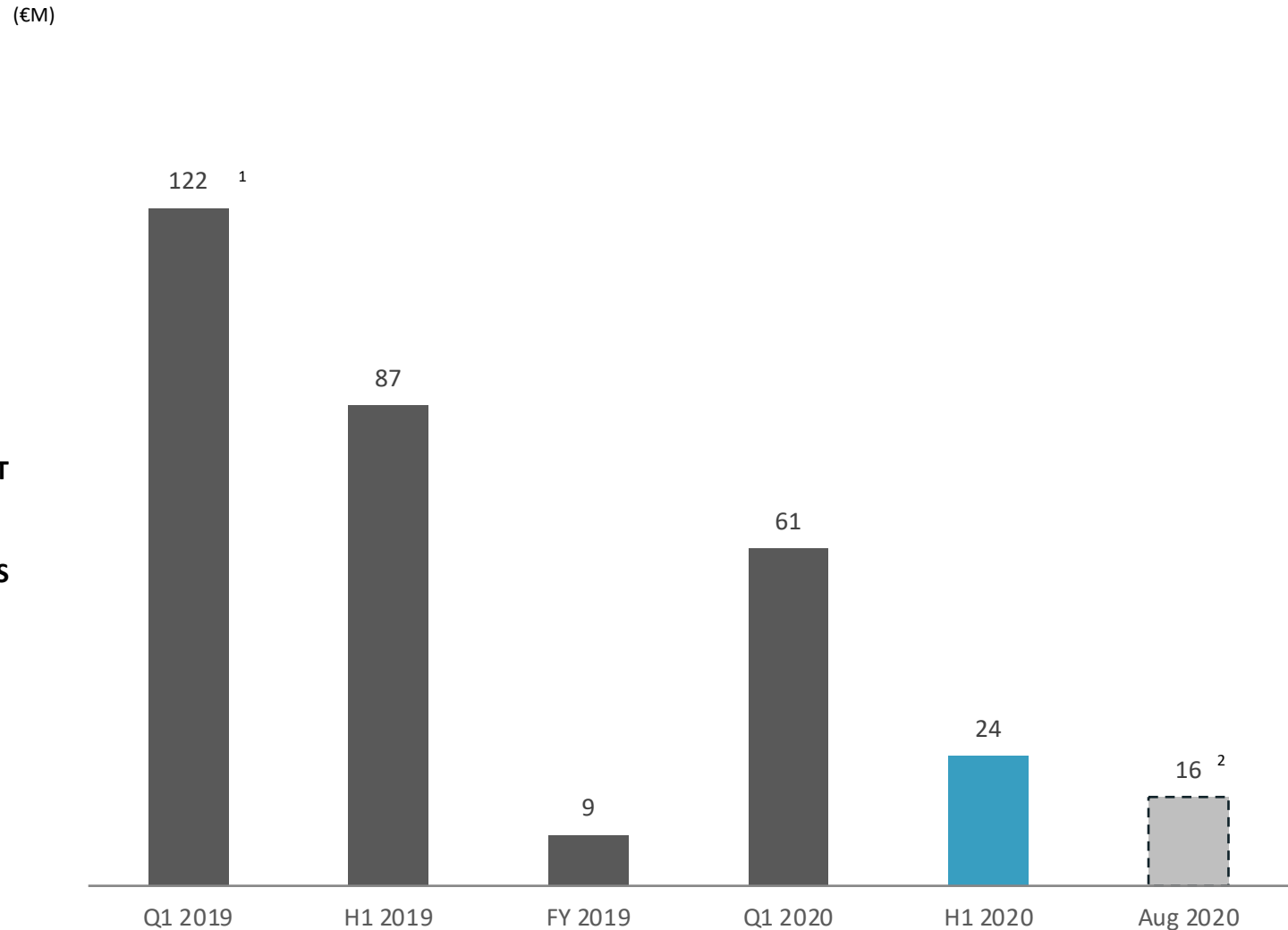
¹ Defined as EBIT + D&A. In H1 2020 excludes €0.7 million costs related to 2020 Stock Option Plan and COVID-19 costs.

NET FINANCIAL POSITION AND LIQUIDITY

COMMENTARY

- **H1 2020 NET FINANCIAL POSITION DOWN TO €24M**
 - FROM €61M AS OF Q1 2020, CONNECTED TO DELIVERIES OF YACHTS IN Q2
 - FROM €87M AS OF H1 2019 MAINLY THANKS TO IPO PRIMARY PROCEEDS
- **NET DEBT EVOLUTION FROM 31 DECEMBER 2019 FIGURES CONSISTENT WITH BUSINESS SEASONALITY**
- **H1 2020 CASH & CASH EQUIVALENTS EQUAL TO €81M**
- **UNDRAWN CREDIT LINES EQUAL TO €92M AS OF 30 JUNE 2020, SIGNIFICANTLY INCREASED VS Q1 THANKS TO NEW AGREEMENTS WITH PRIMARY FINANCIAL INSTITUTIONS AND LOWER UTILISATION**
- **AVAILABLE LIQUIDITY (CASH + CREDIT LINES) TOTAL OF €173M**

NET FINANCIAL POSITION



Source: Company's information.

¹ Pro-forma for the reverse merger with WindCo S.p.A.

² Management Information

OUTLOOK CONFIRMED

- DESPITE SIGNIFICANT IMPACT OF COVID-19 ON MARKET ACROSS GEOGRAPHIES AND INDUSTRIES, SANLORENZO CONTINUES TO BENEFIT FROM ITS SUPERIOR BUSINESS MODEL
 - SOLID LEADERSHIP IN LUXURY YACHTING, WITH POWERFUL BRAND EQUITY
 - LOYAL CUSTOMER BASE BELONGING TO THE WEALTHIEST FAMILIES
 - RESILIENT ORDER BACKLOG (LARGELY COVERED BY FINAL CLIENTS) PROVIDING HIGH VISIBILITY
 - UNIQUE APPROACH TO DISTRIBUTION THROUGH A HIGHLY SELECTIVE BRAND REPRESENTATIVE NETWORK
 - FOCUS ON VALUE-ADDED PHASES ALLOWING FOR A FLEXIBLE COST STRUCTURE
- **SANLORENZO'S MANAGEMENT CONFIRMS 2020E NET REVENUES FROM NEW YACHTS AND EBITDA IN LINE WITH 2019**
 - SUCH OUTLOOK REFLECTS CURRENT BACKDROP AND DOES NOT ENVISAGE NEW MATERIAL LOCKDOWNS OR DISRUPTIONS COMPARABLE TO THOSE EXPERIENCED IN MARCH/APRIL 2020

OUTLOOK CONFIRMED (CONTINUED)

- **H2 2020 ORDER INTAKE IS EXPECTED TO BE SUPPORTED BY A PLAN OF TARGETED MARKETING AND COMMERCIAL ACTIONS IN PLACE FROM SEPTEMBER 2020**
 - "SANLORENZO ELITE WEEKENDS", PRIVATE BOAT SHOWS IN SANLORENZO SHIPYARDS IN LA SPEZIA. ALL RANGES ON DISPLAY DURING THE WEEKENDS OF SEPTEMBER AND OCTOBER, "À LA CARTE" TAILORMADE PROGRAM FOR CLIENTS AND POTENTIAL ONES, INCLUDING TRANSPORTATION WITH PRIVATE JET (COMING AND LEAVING ON THE SAME DAY). THEY WILL REPLACE AND EVEN EXTEND THE WEEKENDS OF THE CANCELLED CANNES AND MONACO BOAT SHOWS
 - EXCEPTIONAL PRESENCE AT THE GENOA BOAT SHOW, CONFIRMED FROM 1 TO 6 OCTOBER, WITH 14 BOATS ON DISPLAY, OF WHICH 2 IN WORLD PREMIERE - SX112 AND BGX60

UPDATE ON PRELIMINARY DISCUSSIONS WITH PERINI NAVI

UPDATE ON CURRENT DISCUSSIONS

- SANLORENZO AND PERINI NAVI SIGNED A NON-BINDING MEMORANDUM-OF-UNDERSTANDING, UNDER WHICH PERINI NAVI HAS GRANTED SANLORENZO AN EXCLUSIVITY PERIOD OF TWO MONTHS TO FURTHER EVALUATE A POTENTIAL INVESTMENT
- EXCLUSIVITY PERIOD EXPIRED, NEGOTIATIONS STILL ONGOING
- FINAL INVESTMENT DECISION WILL REFLECT THE EVOLUTION OF CURRENT MARKET ENVIRONMENT



First Owner: Tom Perkins

RATIONALE BEHIND A POTENTIAL COMBINATION

- **BRAND AFFINITY**
 - SANLORENZO AND PERINI NAVI BOTH EXCEL IN PURSUING OF QUALITY AND DESIGN AS WELL AS MANUFACTURING KNOW-HOW
 - COMPLEMENTARY PRODUCT OFFERING (NO OVERLAP) CATERING TO THE SAME SOPHISTICATED CUSTOMER BASE
 - CONTINUED MONOBAND-LIKE APPROACH AS SANLORENZO AND PERINI NAVI WILL BE MANAGED AS STANDALONE BRANDS
- **POTENTIAL TO UNLOCK RELEVANT INDUSTRIAL SYNERGIES**
 - 2 PERINI NAVI SHIPYARDS LOCATED IN VIAREGGIO AND LA SPEZIA (NEAR TO SANLORENZO'S SITES)
 - 1 MORE PLANT LOCATED IN TURKEY, THAT SANLORENZO CAN LEVERAGE ON FOR THE PRODUCTION OF STEEL HULLS THANKS TO MORE THAN 30 YEARS OF ACTIVITY
- **NO ADDITIONAL CAPEX FOR INDUSTRIAL CAPACITY REQUIRED**
 - SHIPYARDS HAVE BEEN RECENTLY REVAMPED
 - CAPACITY AVAILABLE FOR FURTHER GROWTH
- **PERINI NAVI REPRESENTS AN OPPORTUNITY FOR SANLORENZO TO CONTINUE ITS PATH ON SUSTAINABILITY, ENTERING THE ECO-FRIENDLY MOTORSAILER YACHT INDUSTRY**

YOUR VISION, OUR CRAFT

APPENDIX

INCOME STATEMENT

(€'000)	Six months ended 30 June (H1)				Change	
	2020	% Net Revenues New Yachts	2019	% Net Revenues New Yachts	2020 vs. 2019	2020 vs. 2019%
Net Revenues New Yachts	184,145	100.0%	205,406	100.0%	(21,261)	-10.4%
Net revenues from pre-owned boats, maintenance and other services	23,219	12.6%	19,695	9.6%	3,524	+17.9%
Other income	1,989	1.1%	1,054	0.5%	935	+88.7%
Operating costs	(183,596)	(99.7)%	(200,322)	(97.5)%	16,726	-8.3%
Adjusted EBITDA	25,757	14.0%	25,833	12.6%	(76)	-0.3%
Non-recurring costs	(679)	(0.4)%	-	-	(679)	-
EBITDA	25,078	13.6%	25,833	12.6%	(755)	-2.9%
Depreciation and amortisation	(9,140)	(5.0)%	(7,178)	(3.5)%	(1,962)	+27.3%
EBIT	15,938	8.7%	18,655	9.1%	(2,717)	-14.6%
Net financial expense	(1,091)	(0.6)%	(2,203)	(1.1)%	1,112	-50.5%
Adjustments to financial assets	30	0.0%	-	-	30	-
Pre-tax profit	14,877	8.1%	16,452	8.0%	(1,575)	-9.6%
Income taxes	(4,600)	(2.5)%	(5,837)	(2.8)%	1,237	-21.2%
Net profit	10,277	5.6%	10,615	5.2%	(338)	-3.2%
(Profit)/Loss attributable to non-controlling interests	271	0.1%	(1)	-	272	-
Group net profit	10,548	5.7%	10,614	5.2%	(66)	-0.6%

Source: Company information
Consolidated Figures

BALANCE SHEET

(€'000)	30 June 2020	31 December 2019	Change	
			2020 vs. 2019	2020 vs. 2019%
USES				
Goodwill	8,667	8,667	0	-
Intangible assets with a finite useful life	35,596	35,404	192	+0.5%
Property, plant and equipment	105,692	102,598	3,094	+3.0%
Other equity investments and other non-current assets	409	379	30	+7.9%
Net deferred tax assets	5,020	3,008	2,012	+66.9%
Non-current employee benefits	(821)	(796)	(25)	+3.1%
Non-current provisions for risks and charges	(991)	(913)	(78)	+8.5%
Net fixed capital	153,572	148,347	5,225	+3.5%
Inventories	81,830	62,311	19,519	+31.3%
Trade receivables	21,794	20,269	1,525	+7.5%
Contract assets	110,167	87,889	22,278	+25.3%
Trade payables	(103,399)	(152,189)	48,790	-32.1%
Contract liabilities	(69,423)	(19,442)	(49,981)	+257.1%
Other current assets	32,261	46,007	(13,746)	-29.9%
Current provisions for risks and charges	(9,911)	(9,299)	(612)	+6.6%
Other current liabilities	(31,998)	(23,999)	(7,999)	+33.3%
Net working capital	31,321	11,547	19,774	+171.2%
NET INVESTED CAPITAL	184,893	159,894	24,999	+15.6%
SOURCES				
Net financial position	23,506	9,063	14,443	+159.4%
Equity	161,387	150,831	10,556	+7.0%
TOTAL SOURCES	184,893	159,894	24,999	+15.6%

Source: Company information
Consolidated Figures

CASH FLOW STATEMENT AND NET FINANCIAL POSITION

CASH FLOW STATEMENT

(€'000)	30 June 2020	30 June 2019
EBITDA	25,078	25,833
Taxes paid	-	(86)
Changes in inventories	(19,519)	(12,817)
Changes in net contract assets and liabilities	27,703	(6,597)
Changes in trade receivables and advances to suppliers	(1,771)	8,640
Changes in trade payables	(48,790)	3,090
Changes in provisions for risk and charges, allowances and other assets and liabilities	16,090	(3,622)
Operating cash flow	(1,209)	14,441
Capital expenditures	(12,446)	(19,062)
Business combinations (Enterprise Value)	0	(224)
Free cash flow	(13,655)	(4,845)
Net financial charges	(1,091)	(2,203)
Other changes	303	(3,985)
Change in net financial position	(14,443)	(11,033)
Beginning net financial position	9,063	75,444
Ending net financial position	23,506	86,477

NET FINANCIAL POSITION

(€'000)	30 June 2020	31 December 2019
Cash and cash equivalents	(80,716)	(60,186)
Other liquid assets	-	-
Securities held for trading	-	-
Cash	(80,716)	(60,186)
Current financial receivables	(171)	(6,654)
Current bank payables	18,299	370
Current portion of debt	30,111	17,394
Other current financial payables	2,410	1,530
Current financial debt	50,820	19,294
Net current financial debt	(30,067)	(47,546)
Non-current bank payables	50,540	54,706
Bonds issued	-	-
Other non-current payables	3,033	1,903
Non-current financial debt	53,573	56,609
Net financial position	23,506	9,063

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