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Guidance

Testo del comunicato

Vedi allegato.

SANLORENZO

SANLORENZO S.P.A., THE BOARD OF DIRECTORS
HAS APPROVED THE HALF-YEARLY FINANCIAL REPORT AS OF 30 JUNE 2021:
STRONG GROWTH IN PROFITABILITY, NET INCOME MORE THAN DOUBLED

UPWARD REVISION OF 2021 GUIDANCE, SUPPORTED BY A BACKLOG
AS OF 31 AUGUST EXCEEDING €1 BILLION

CONSOLIDATED RESULTS AS OF 30 JUNE 2021 HIGHLIGHTS:

- Net revenues from the sale of new yachts (“Net Revenues New Yachts”) at €263.6 million, up by 43.2% compared to the first half of 2020
- Adjusted EBITDA at €40.4 million, up by 56.8% compared to the first half of 2020 (15.3% on Net Revenues New Yachts)
- EBIT at €29.8 million, up by 86.9% compared to the first half of 2020 (11.3% on Net Revenues New Yachts)
- Group net profit at €21.2 million, more than doubled compared to the first half of 2020 (8.1% on Net Revenues New Yachts)
- Net cash position of €26.4 million, a clear improvement on a net debt position of €23.5 million as of 30 June 2020 and a net cash position of €3.8 million as of 31 December 2020

2021 GUIDANCE:

- Upwards revision of estimates, targeting a double-digit growth of the main metrics, supported by a backlog that reached €1,011.8 million as of 31 August 2021, before the opening of boat show season
- Growth in operating margins fostered by the increase in sales prices
- Robust pipeline of new products, with three new ranges – SP (“Smart Performance”), X-Space e BGM (Bluegame Multi-hull) – to be presented in 2022
- Investments in additional production capacity to support expected growth planned in the second half

<i>(€ million, unless otherwise stated)</i>	Actual		Guidance	Change guidance 2021
	2019	2020	2021	(average) vs actual 2020
Net Revenues New Yachts	455.9	457.7	565 – 575	+25%
Adjusted EBITDA	66.0	70.6	92 – 94	+31%
Adjusted EBITDA margin (% of Net Revenues New Yachts)	14.5%	15.4%	16.2% – 16.3%	+86 bps
Group net profit	27.0	34.5	47 – 48	+36%
Investments	51.4	30.8	45 – 47	+49%
Net financial position	(9.1)	3.8	20 – 22	+17

Ameglia (La Spezia), 13 September 2021 – The Board of Directors of Sanlorenzo S.p.A. (“Sanlorenzo” or the “Company”) met today under the chairmanship of Mr. Massimo Perotti to examine and approve the Half-Yearly Financial Report as of 30 June 2021.

Massimo Perotti, Chairman and Chief Executive Officer of the Company, commented:

«We approve the best half-yearly results in the history of Sanlorenzo, an achievement we are particularly proud of, and that has been accomplished following one of the most challenging periods in the world. Our ability to develop a product with unique features and to provide to our owners a service entirely tailor-made is the main driver of our growth. We have just presented four new models at the Cannes Yachting Festival and we expect the launch of three new ranges in 2022, one for each division, in segments with high potential not yet explored by Sanlorenzo.

We combine our ongoing commitment to develop and build yachts of highest quality and always at the cutting-edge in design and innovation with a strong engagement to sustainable development, to which we have allocated significant human and financial resources, mainly dedicated to reducing the impact of yacht usage on the marine ecosystem. We will be working hard on this particular matter, also through the **exclusive partnership signed with Siemens Energy**, which I would define a landmark agreement not only for Sanlorenzo, but also for the entire yachting sector. This represents exactly the first example in our business of an alliance with a prominent partner in the energy field, which paves the way to solutions unthinkable until recently.»

CONSOLIDATED NET REVENUES NEW YACHTS

Net Revenues New Yachts¹ in the first half of 2021 are equal to **€263.6 million, up by 43.2%** compared to €184.1 million in the same period of 2020, led by the Yacht Division. Net Revenues New Yachts increased in all geographic areas, driven by the Americas’ excellent performance and the recovery of the European market.

In a context of strong market acceleration, this performance is a result of an increase in sales prices made possible by the high-end positioning of the brand, the effects of which were already partially reflected in the revenues of the first half of the year, and a product mix with an increased incidence of larger yachts in all divisions.

Net Revenues New Yachts by division

(€'000)	Six months ended 30 June				Change	
	2021	% total	2020	% total	2021 vs. 2020	2021 vs. 2020%
Yacht Division	171,944	65.3%	109,994	59.7%	61,950	+56.3%
Superyacht Division	71,004	26.9%	59,113	32.1%	11,891	+20.1%
Bluegame Division	20,676	7.8%	15,038	8.2%	5,638	+37.5%
Net Revenues New Yachts	263,624	100.0%	184,145	100.0%	79,479	+43.2%

The **Yacht Division** generated Net Revenues New Yachts of **€171.9 million**, accounting for 65.3% of the total, up by 56.3% compared to the first half of 2020. The excellent sales performance concerned all product ranges, and in particular the SX line (with the SX88 model extremely successful since its launch in 2017, and the SX112 model introduced in 2020), the SD line (with the two new models SD96 and SD118) and the SL line (with the asymmetrical models).

The **Superyacht Division** generated Net Revenues New Yachts of **€71.0 million**, equal to 26.9% of the total, up by 20.1% compared to the first half of 2020, driven by the Steel Line.

The **Bluegame Division** generated Net Revenues New Yachts of **€20.7 million**, accounting for 7.8% of the total, up by 37.5% compared to the first half of 2020, thanks to the new BGX line, with the introduction of the second

¹ Net Revenues New Yachts are calculated as the algebraic sum of revenues from contracts with customers relating to new yachts net of commissions. In accordance with IFRS standards, the selling price of new yachts and therefore also the calculation of the related revenues includes the difference between the value contractually attributed to the pre-owned boats traded in and their relative fair value.

model BGX60, launched in 2020, and the first sales of the new BG72 model, which has received unanimous acclaim at the Cannes Yachting Festival, which has just ended.

Net Revenues New Yachts by geographical area

(€'000)	Six months ended 30 June				Change	
	2021	% total	2020	% total	2021 vs. 2020	2021 vs. 2020%
Europe	138,693	52.6%	112,628	61.2%	26,065	+23.1%
APAC	54,039	20.5%	34,456	18.7%	19,583	+56.8%
Americas	53,299	20.2%	19,851	10.8%	33,448	+168.5%
MEA	17,593	6.7%	17,210	9.3%	383	+2.2%
Net Revenues New Yachts	263,624	100.0%	184,145	100.0%	79,479	+43.2%

The **European market** has been returning to growth, recording Net Revenues New Yachts of **€138.7 million** (of which €28.1 million generated in Italy), accounting for 52.6% of the total, up by 23.1% compared to the first half of 2020.

The **APAC** area recorded Net Revenues New Yachts of **€54.0 million**, accounting for 20.5% of the total and up by 56.8% compared to the first half of 2020.

The **Americas** recorded Net Revenues New Yachts of **€53.3 million**, accounting for 20.2% of the total and up by 168.5% compared to the first half of 2020.

The **MEA** area recorded Net Revenues New Yachts of **€17.6 million**, accounting for 6.7% of the total, a slight increase compared to the first half of 2020.

CONSOLIDATED OPERATING AND NET RESULTS

Adjusted EBITDA² was equal to **€40.4 million, up by 56.8%** compared to €25.8 million in the first half of 2020. The **incidence on Net Revenues New Yachts increased to 15.3%** from 14.0% in the first half of 2020 .

EBITDA³, including non-recurring components linked to the non-monetary costs of the 2020 Stock Option Plan and the expenses incurred for COVID-19, amounted to €40.0 million, up by 59.3% compared to €25.1 million in the first half of 2020.

The significant and constant increase in operating profits is due to the efficiencies generated by the new production capacity and the subsequent greater absorption of fixed costs. Profitability also benefited from the change in the product mix in favour of larger yachts in all divisions and from the increase in sales prices, which offset the increase in raw material costs, in particular for the production of composite semi-finished products.

EBIT was equal to **€29.8 million, up by 86.9%** compared to €15.9 million in the first half of 2020. The incidence on Net Revenues New Yachts increased to 11.3% from 8.7% in 2020, in spite of an increase of 11.2% in depreciation, which stood at €10.2 million, as a result of the coming on stream of investments made to develop new products and to increase production capacity.

Net financial expense amounted to €616 thousand, down by 43.5% compared to the first half of 2020, thanks to a lower indebtedness and improved financial conditions applied to the Group, and, to a lesser extent, to foreign exchange rate gains.

The **pre-tax profit** was equal to **€29.2 million, up by 96.1%** compared to €14.9 million in the first half of 2020. The incidence on Net Revenues New Yachts increased to 11.1% from 8.1% in the first half 2020 .

Group net profit reached **€21.2 million, more than doubled** compared to €10.5 million in the first half of 2020. The **incidence on Net Revenues New Yachts increased to 8.1%** from 5.7% in the first half of 2020 .

² Adjusted EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss adjusted for non-recurring items. Non-recurring items, mainly related to the non-monetary costs of the 2020 Stock Option Plan and the expenses incurred for COVID-19, were equal to €444 thousand and €679 thousand in the first half of 2021 and 2020, respectively.

³ EBITDA is calculated by adding amortisation/depreciation expenses to operating profit/loss.

CONSOLIDATED BALANCE SHEET AND FINANCIAL RESULTS

Net working capital as of 30 June 2021 was equal to **€5.4 million**, down by €13.8 million compared to €19.3 million as of 31 December 2020 and down by €25.9 million compared to €31.3 million as of 30 June 2020.

Inventories were equal to €80.5 million, down by €1.7 million compared to €82.2 million as of 31 December 2020 and down by €1.3 million compared to €81.8 million as of 30 June 2020. Inventories of finished products were equal to €21.8 million and included pre-owned boats already sold at the end of the period to be delivered in subsequent months, for a value of €6.2 million.

The performance of net working capital is consistent with the business seasonality, also in view of the concentration of yacht deliveries in the summer months, and with the growth in business volumes.

Investments amounted to **€12.0 million** (€12.4 million in the first half of 2020), with an incidence on Net Revenues New Yachts of 4.6%. Investments dedicated to the expansion of the product ranges were equal to €6.9 million (€6.6 million in the first half of 2020).

Net financial position⁴ was positive and equal to **€26.4 million** (€3.8 million net cash as of 31 December 2020 and €23.5 million net debt as of 30 June 2020), with an improvement of €49.9 million on the previous year, mainly thanks to the strong cash generation from operating activities.

Cash as of 30 June 2021 was equal to €117.0 million (€94.4 million as of 31 December 2020 and €80.7 million as of 30 June 2020). As of 30 June 2021, total liquidity amounted to €259.7 million, including unused bank credit lines equal to €142.7 million⁵.

BACKLOG

The **backlog**⁶ of the Group as of 30 June 2021 amounted to **€810.7 million**, up by 245.1 million compared to the figure as of 30 June 2020 (€565.6 million) and up by €401.9 million compared to the figure as of 31 December 2020 (€408.8 million). **The order intake in the first half of 2021** was equal to **€401.9 million**, of which €144.6 million in the first quarter and €257.3 million in the second quarter.

The extraordinary performance, which saw the backlog as of 30 June 2021 almost doubled compared to the figure as of 31 December 2020, is due to very strong market growth, a trend started in the last months of 2020 that has gradually involved all segments of the Group, first of all the Yacht Division. The backlog increase is fostered by the models introduced in 2020, such as the SX112 and the BGX60, and the new products recently launched at the Cannes Yachting Festival, which were extremely well received even before their presentation to the market.

BUSINESS OUTLOOK AND GUIDANCE

In a rapidly growing market, whose dynamics are being consolidated over the months, Sanlorenzo continues to benefit from the unique characteristics of its business model: high-end positioning of the brand, yachts always at the forefront of innovation, rigorously made to measure for a restricted club of selected and loyal customers, close liaison with art and design, distribution through a limited number of brand representatives, flexible cost structure.

The product range expansion plan is robust, envisaging the launch in 2022 of three new lines – SP (“Smart Performance”), X-Space and BGM (Bluegame Multi-hull) – with which Sanlorenzo tap into new market segments, characterized by functions that are brand new and strongly inspired by sustainability criteria. These are the

⁴ Pursuant to the Consob communication no. DEM/6064293/2006, the calculation was adjusted to reflect the updates in the ESMA document 32-382-1138 of 4 March 2021. These adjustments had no significant impact on the periods considered.

⁵ Not including lines of credit for reverse factoring and confirming.

⁶ Backlog is calculated as the sum of the value of all orders and sales contracts signed with customers or brand representatives relating to yachts for delivery or delivered in the current financial year or for delivery in subsequent financial years. For each year, the value of the orders and contracts included in the backlog refers to the relative share of the residual value from 1 January of the financial year in question until the delivery date. The backlog relating to yachts delivered during the financial year is conventionally cleared on 31 December.

principles that also guide Research and Development, focused today in particular on diesel electric yachts and marine application of fuel cells, activity that will receive a strong acceleration thanks to the **strategic agreement with Siemens Energy, an exclusive partnership in the yachting sector from 24 to 80 metres**, market segment that is worth over 90% of pleasure boats business turnover, in which Sanlorenzo is the leading brand.

In support of the expected growth, Sanlorenzo has planned investments for a total amount of €17.9 million⁷ in the second half of the year, intended for the acquisition of industrial facilities located next to the shipyards of Viareggio, Massa and La Spezia, which will result in a significant increase in production capacity to respond to an acceleration in sales.

The **backlog as of 31 August 2021**, before the opening of boat show season, was equal to **€1,011.8 million** (of which €557.8 million related to 2021), about 90% was covered by final clients. With an order intake of €201.1 million since the end of the first half of the year, the order portfolio is strongly increasing in all divisions, fostered, in particular, by the excellent performance of the Superyacht Division.

In light of the results as of 30 June 2021 and taking into account the subsequent evolution of the backlog, the Company has **revised upwards the guidance for the current year⁸**, confirming the expectations of a **double-digit growth for the main metrics**.

(€ million, unless otherwise stated)	Actual		Guidance	Change guidance 2021
	2019	2020	2021	(average) vs actual 2020
Net Revenues New Yachts	455.9	457.7	565 – 575	+25%
Adjusted EBITDA	66.0	70.6	92 – 94	+31%
Adjusted EBITDA margin (% of Net Revenues New Yachts)	14.5%	15.4%	16.2% – 16.3%	+86 bps
Group net profit	27.0	34.5	47 – 48	+36%
Investments	51.4	30.8	45 – 47	+49%
Net financial position	(9.1)	3.8	20 – 22	+17

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Today at 17:30 CEST the management team will hold a conference call to present the results of the first half of 2021 to financial analysts and institutional investors. The conference call can be followed live at the following link: <https://us06web.zoom.us/j/83777843004?pwd=bUFydGI4dXhnS3hjL1BJTzE2UDBlZz09>.

The supporting documentation will be published in the "Investors/Events and presentations" section of the Company's website (www.sanlorenzoyacht.com) before the conference call.

⁷ Excluding transaction costs.

⁸ In the absence of a significant impact of additional restrictions linked to the COVID-19 pandemic and excluding the effects of any extraordinary transaction.

* * *

The manager responsible for preparing the corporate accounts, Attilio Bruzzese, pursuant to Article 154-bis, paragraph 2, of Italian Legislative Decree no. 58 of 1998 (Consolidated Finance Law – “TUF”) states that the information in this communication correspond to the records, ledgers and accounting entries.

This document includes forward-looking statements relating to future events and operational, economic and financial results of Sanlorenzo Group. These forecasts, by their nature, contain an element of risk and uncertainty, as they depend on the occurrence of future events and developments.

This document makes use of some alternative performance indicators. The represented indicators are not identified as accounting measurements in the context of IFRS standards and, therefore, must not be viewed as alternative measurements to those included in the financial statements. The management team retains that these indicators are a significant parameter for the assessment of the Group’s economic and financial performance.

The reclassified accounting statements in this document have not been audited by the independent auditors. The condensed half-yearly consolidated financial statements as at 30 June 2021 are currently being audited, to date, in the course of being completed.

The half-yearly financial report as at 30 June 2021 will be made available to the public, in accordance with current provisions, at the Company’s registered office in via Armezzone 3, Ameglia (SP), in the “Investor Relations”/Results and financial documents” section of the Company’s website (www.sanlorenzoyacht.com) and on the eMarket STORAGE mechanism (www.emarketstorage.com).

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Sanlorenzo S.p.A.

Sanlorenzo is a worldwide leader in terms of number of yachts over 30 metres long. It is the only player in luxury yachting to compete in different segments with a single brand, producing yachts and superyachts tailored to every boat owner, characterised by a distinctive and timeless design.

Sanlorenzo’s production is broken down into three divisions:

- Yacht Division - composite yachts between 24 and 38 metres;
- Superyacht Division - superyachts in aluminium and steel between 40 and 70 metres;
- Bluegame Division - sport utility yachts between 13 and 23 metres.

Sanlorenzo’s production is articulated over four production sites located in La Spezia, Ameglia (SP), Viareggio (LU) and Massa. The sites are strategically located near to each other, so allowing significant operational efficiencies. The Group employs around 500 people and cooperates with a network of 1,500 qualified craft enterprises. It can rely on an international distribution network and a widespread service network for customers all over the world. In 2020, the Group generated net revenues from the sale of new yachts of around €458 million, adjusted EBITDA of €71 million and a Group net profit of €35 million.

www.sanlorenzoyacht.com

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SANLORENZO GROUP

RECLASSIFIED INCOME STATEMENT AS OF 30 JUNE 2021

(€'000)	Six months ended 30 June				Change	
	2021	% Net Revenues New Yachts	2020	% Net Revenues New Yachts	2021 vs. 2020	2021 vs. 2020%
Net Revenues New Yachts	263,624	100.0%	184,145	100.0%	79,479	+43.2%
Net revenues from pre-owned boats, maintenance and other services	58,379	22.1%	23,219	12.6%	35,160	+151.4%
Other income	2,160	0.8%	1,989	1.1%	171	+8.6%
Operating costs	(283,765)	(107.6)%	(183,596)	(99.7)%	(100,169)	+54.6%
Adjusted EBITDA	40,398	15.3%	25,757	14.0%	14,641	+56.8%
Non-recurring costs	(444)	(0.1)%	(679)	(0.4)%	235	-34.6%
EBITDA	39,954	15.2%	25,078	13.6%	14,876	+59.3%
Depreciation and amortisation	(10,167)	(3.9)%	(9,140)	(5.0)%	(1,027)	+11.2%
EBIT	29,787	11.3%	15,938	8.7%	13,849	+86.9%
Net financial expense	(616)	(0.2)%	(1,091)	(0.6)%	475	-43.5%
Adjustments to financial assets	1	-	30	-	(29)	-96.7%
Pre-tax profit	29,172	11.1%	14,877	8.1%	14,295	+96.1%
Income taxes	(7,825)	(3.0)%	(4,600)	(2.5)%	(3,225)	+70.1%
Net profit	21,347	8.1%	10,277	5.6%	11,070	+107.7%
Net (profit)/loss attributable to non-controlling interests	(108)	-	271	0.1%	(379)	-139.9%
Group net profit	21,239	8.1%	10,548	5.7%	10,691	+101.4%

SANLORENZO GROUP

BALANCE SHEET RECLASSIFIED AS OF 30 JUNE 2021

(€'000)	30 June 2021	31 December 2020	30 June 2020	Change	
				30 June 2021 vs. 31 December 2020	30 June 2021 vs. 30 June 2020
USES					
Goodwill	8,667	8,667	8,667	-	-
Intangible assets with a finite useful life	41,410	36,434	35,596	4,976	5,814
Property, plant and equipment	112,832	112,491	105,692	341	7,140
Equity investments and non-current assets	437	412	409	25	28
Net deferred tax assets	6,221	6,538	5,020	(317)	1,201
Non-current employee benefits	(942)	(845)	(821)	(97)	(121)
Non-current provision for risks and charges	(1,159)	(1,389)	(991)	230	(168)
Net fixed capital	167,466	162,308	153,572	5,158	13,894
Inventories	80,504	82,214	81,830	(1,710)	(1,326)
Trade receivables	12,095	17,233	21,794	(5,138)	(9,699)
Contract assets	88,186	112,938	110,167	(24,752)	(21,981)
Trade payables	(126,567)	(137,238)	(103,399)	10,671	(23,168)
Contract liabilities	(44,331)	(46,156)	(69,423)	1,825	25,092
Other current assets	33,990	30,434	32,261	3,556	1,729
Current provisions for risks and charges	(14,608)	(12,679)	(9,911)	(1,929)	(4,697)
Other current liabilities	(23,863)	(27,492)	(31,998)	3,629	8,135
Net working capital	5,406	19,254	31,321	(13,848)	(25,915)
Net invested capital	172,872	181,562	184,893	(8,690)	(12,021)
SOURCES					
Equity	199,306	185,391	161,387	13,915	37,919
(Net financial position)	(26,434)	(3,829)	23,506	(22,605)	(49,940)
Total sources	172,872	181,562	184,893	(8,690)	(12,021)

SANLORENZO GROUP

NET FINANCIAL POSITION AS OF 30 JUNE 2021⁹

('€000)	30 June	31 December	30 June	Change	
	2021	2020	2020	30 June 2021 vs. 31 December 2020	30 June 2021 vs. 30 June 2020
A Cash	116,956	94,359	80,716	22,597	36,240
B Cash equivalents	-	-	-	-	-
C Other current financial assets	-	647	171	(647)	(171)
D Liquidity (A + B + C)	116,956	95,006	80,887	21,950	36,069
E Current financial debt	(4,609)	(2,560)	(22,176)	(2,049)	17,567
F Current portion of non-current financial debt	(21,320)	(25,872)	(28,644)	4,552	7,324
G Current financial indebtedness (E + F)	(25,929)	(28,432)	(50,820)	2,503	24,891
H Net current financial indebtedness (G + D)	91,027	66,574	30,067	24,453	60,960
I Non-current financial debt	(64,593)	(62,745)	(53,573)	(1,848)	(11,020)
J Debt instruments	-	-	-	-	-
K Non-current trade and other payables	-	-	-	-	-
L Non-current financial indebtedness (I + J + K)	(64,593)	(62,745)	(53,573)	(1,848)	(11,020)
M Total financial indebtedness (H + L)	26,434	3,829	(23,506)	22,605	49,940

SANLORENZO GROUP

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 30 JUNE 2021

('€000)	30 June 2021	30 June 2020
EBITDA	39,954	25,078
Taxes paid	(13,389)	-
Changes in inventories	1,710	(19,519)
Change in net contract assets and liabilities	22,927	27,703
Change in trade receivables and advances to suppliers	8,638	(1,771)
Change in trade payables	(10,671)	(48,790)
Change in provisions and other assets and liabilities	(3,012)	16,090
Operating cash flow	46,157	(1,209)
Change in non-current assets (investments)	(11,998)	(12,446)
Business acquisitions and other changes	636	-
Free cash flow	34,795	(13,655)
Interest and financial charges	(684)	(1,091)
Other changes in equity	(11,506)	303
Change in net financial position	22,605	(14,443)
Net financial position at the beginning of the period	3,829	(9,063)
Net financial position at the end of the period	26,434	(23,506)

⁹ Pursuant to the Consob communication no. DEM/6064293/2006, the scheme was adjusted to reflect the updates in the ESMA document 32-382-1138 of 4 March 2021.

Fine Comunicato n.2211-158

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