

# THE ITALIAN SEA GROUP

## 9M 2021 RESULTS

*November 15th, 2021*



# Major Highlights 9M21

- ✦ Strong EBITDA growth (99,7% YoY): to Eu 17,4 mn and an EBITDA margin equal to 13,6 %
- ✦ Significant increase in Net Sales (73,9% YoY): to Eu 127,8 mn
- ✦ Net Backlog to Eu 443,3 mn and Order Book to Eu 654,3 with a boost in brand awareness leading to new contracts, especially relating to Tecnomar for Lamborghini 63
- ✦ TISG 4.0 on track: Eu 20,1 mn Investments, with around 70% of activities already completed
- ✦ Resilient market for mega-yachts over 60 mt, backed by increase in global number of UHNWIs



# FINANCIALS

THE ITALIAN SEA GROUP

 ADMIRAL

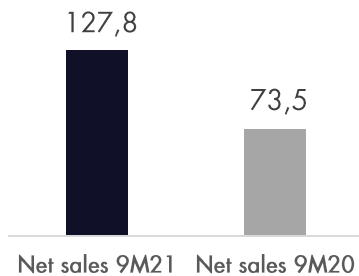
TECNOMAR

NCA REFIT

# 9M21, in Numbers (1/2)

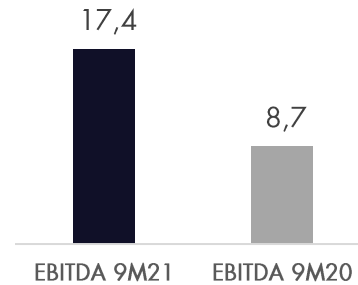
## 9M21 Net sales

Eu 127,8 mn  
(+73,9% vs 9M20)



## 9M21 EBITDA

Eu 17,4 mn  
(+99,7% vs 9M20)

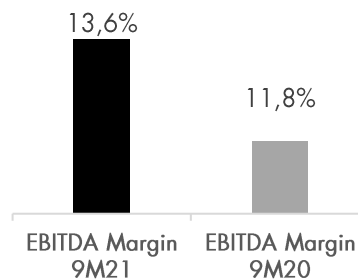


## Comments

- Substantial increase in **Net Sales** by 73,9% due to great expansion in international demand and an advancement of production of the orders in progress in line with schedule
- Growth in **EBITDA Margin** is reflective of several strategic interventions carried out by management:
  - Increase in marginality of products, through an excellent positioning in the market especially thanks to partnership agreements with Giorgio Armani and Automobili Lamborghini
  - Operational cost efficiency through investments aimed at increasing the shipyard's production capacity
  - Investments in human capital to develop specialised internal know-how on the most value added phases of the supply chain

## 9M21 EBITDA Margin

(+180 bps vs 9M20)



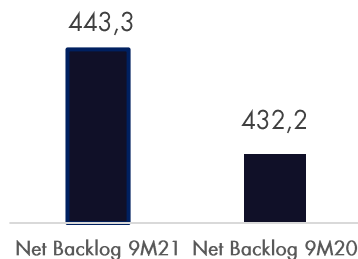
# 9M21, in Numbers (2/2)

## Comments

- Significant increase in Net backlog with 23 yachts under construction
- Positive Net Financial Position (NFP) reflecting:
  - - Eu 20,1 mn of investments
  - - Eu 6,2 mn of dividends paid
  - + Eu 44,5 mn of capital increase due to the IPO
- Investments amount to Eu 20,1 mn with a 201,6% increase related to the "TISG 4.0" investment plan

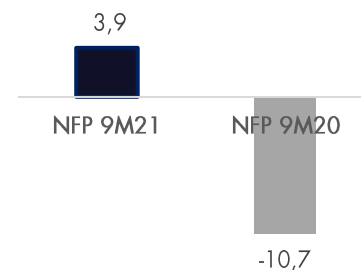
## Net Backlog 9M21

Eu 443,3 mn  
(+2,6% vs 9M20)



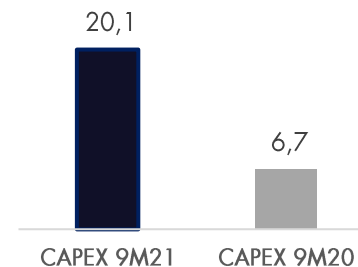
## NFP 9M21

Eu 3,9 mn



## Capex 9M21

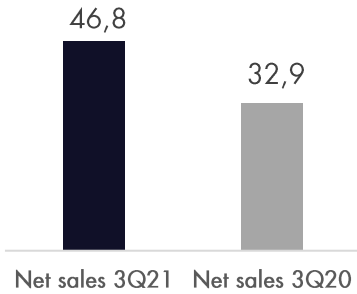
Eu 20,1 mn  
(+201,6% vs 9M20)



# 3Q, in Numbers

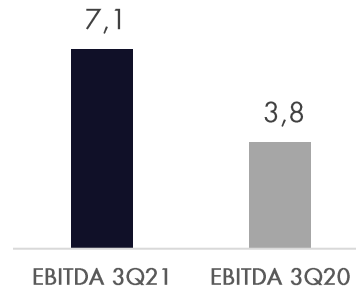
## 3Q21 Net sales

Eu 46,8 mn  
(+42,3% vs 3Q20)



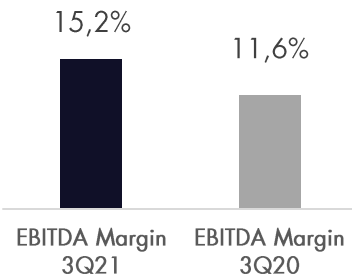
## 3Q21 EBITDA

Eu 7,1 mn  
(+87,0% vs 3Q20)



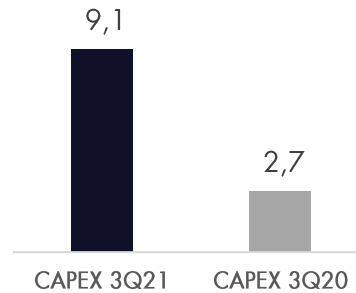
## 3Q21 EBITDA Margin

(+360 bps vs 3Q20)



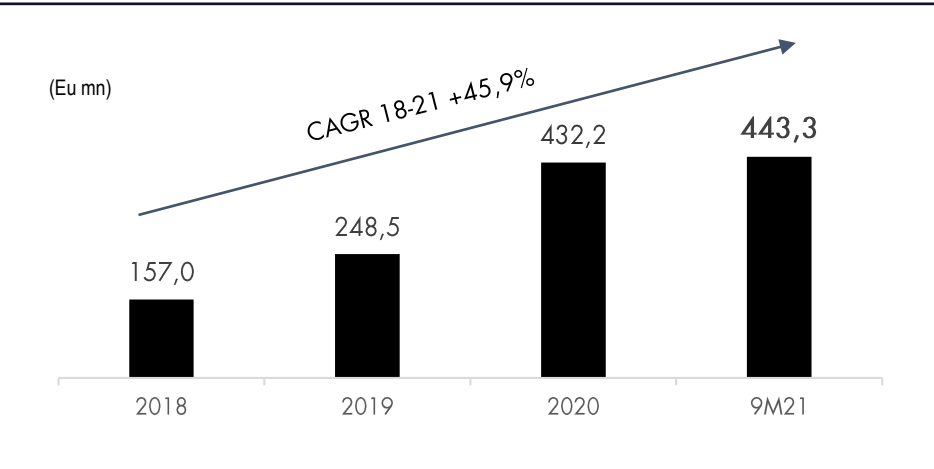
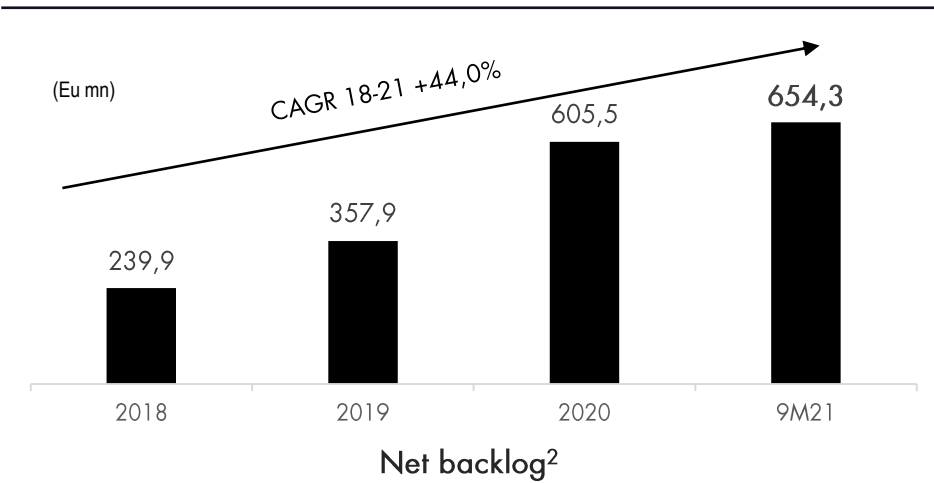
## 3Q21 Capex

Eu 9,1 mn  
(+232,5% vs 3Q20)



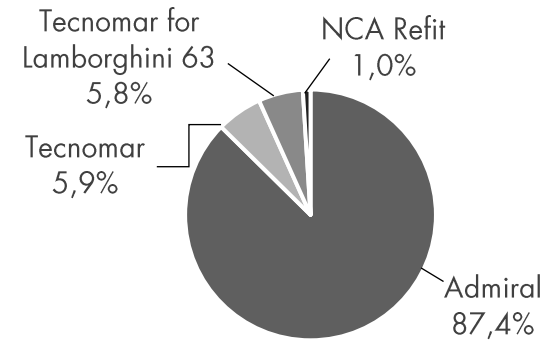
# Growing Order Book

Order Book<sup>1</sup>



Net backlog 9M21

Breakdown by brand



## Comments

23 yachts currently in production including:

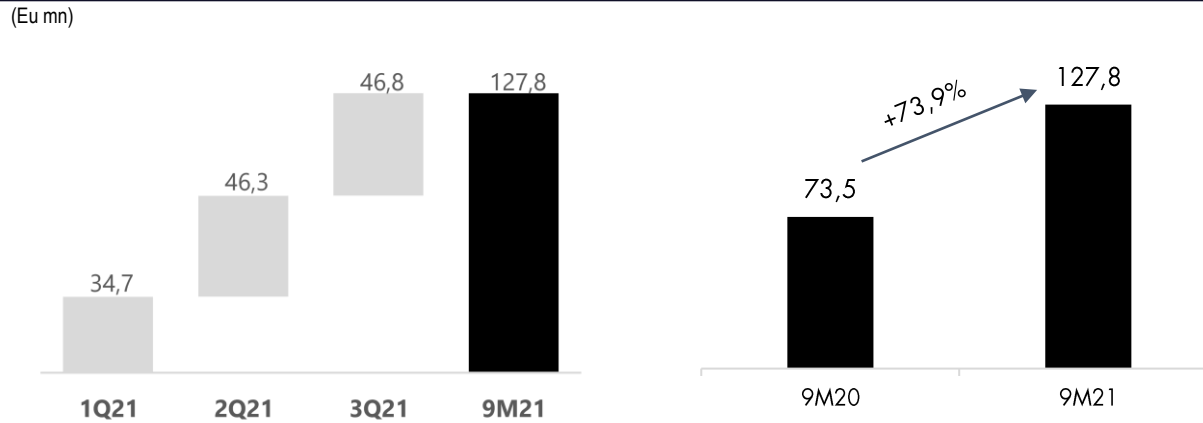
- 9 Admiral
- 2 Tecnomar
- 12 Tecnomar for Lamborghini 63

Notes: 1) Order Book is equal to the sum of all contract values related to shipbuilding orders in progress; 2) Net Backlog takes into account the contract values net of related revenues already recorded.

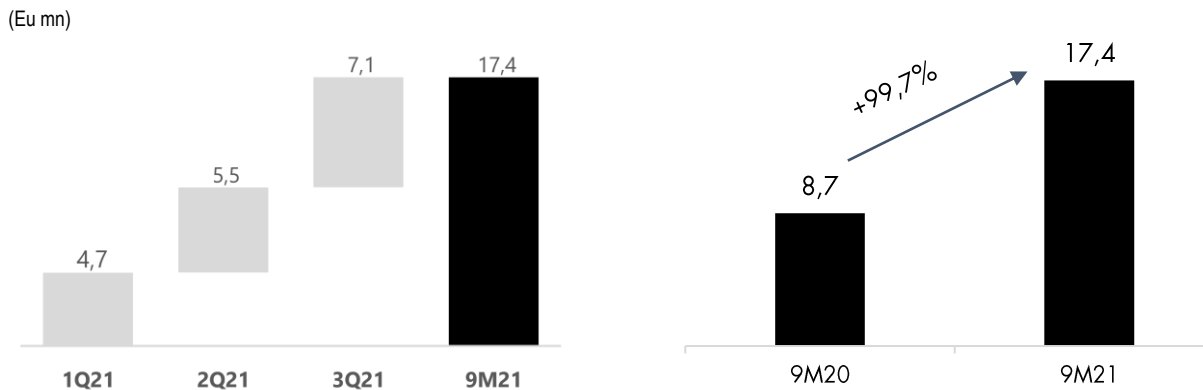
# Net Sales and EBITDA Evolution

Strong focus on the higher dimensional range for yachts > 70 metres

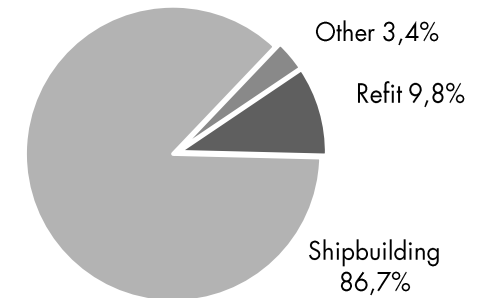
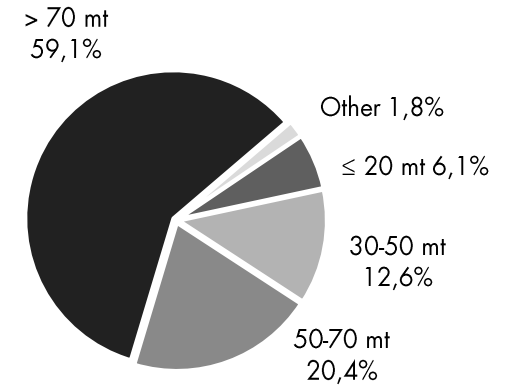
### Net Sales Evolution



### EBITDA Evolution



### Revenues 9M21 breakdown by LOA and division

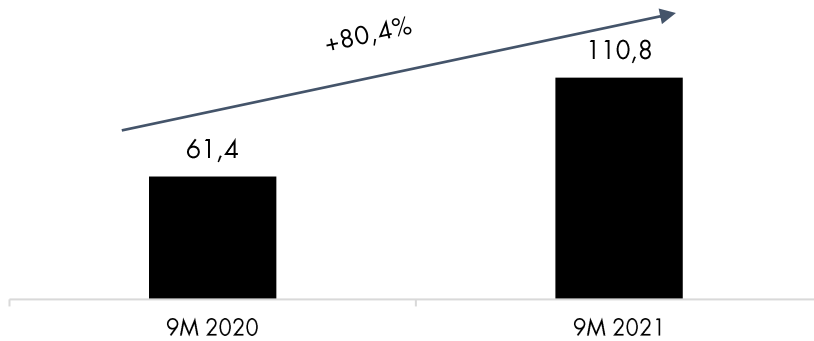




# 9M Shipbuilding Division

## Revenues

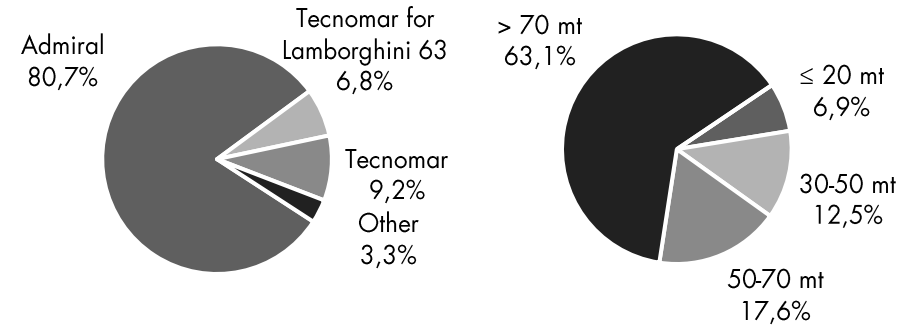
(Eu mn)



## Comments

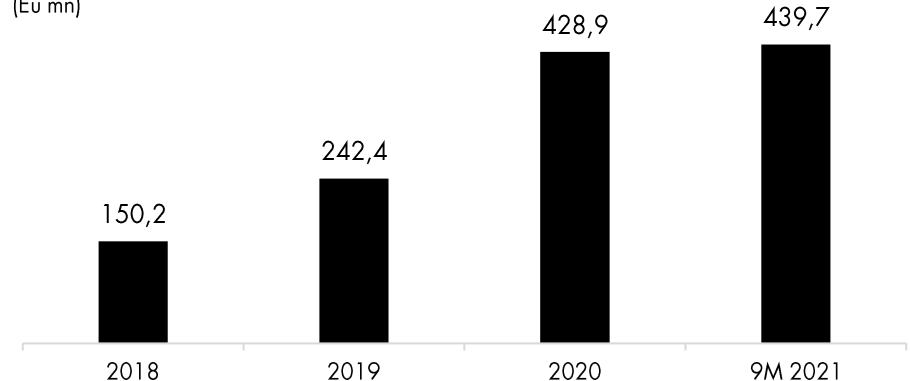
- Revenue growth driven by several factors, mainly:
  - Focus on yachts over 70 mt (63,1% of revenues)
  - New contracts signed related to Tecnomar for Lamborghini 63
- Net Backlog granting high visibility over next years
- Reduction in price gap with Northern European Shipyards

## 2021 Revenues breakdown



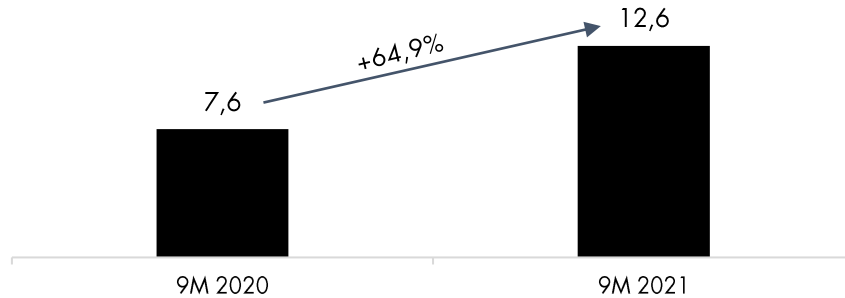
## Net Backlog

(Eu mn)



## Revenues

(Eu mn)

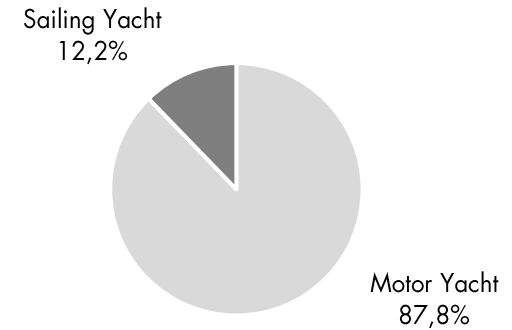


## Comments

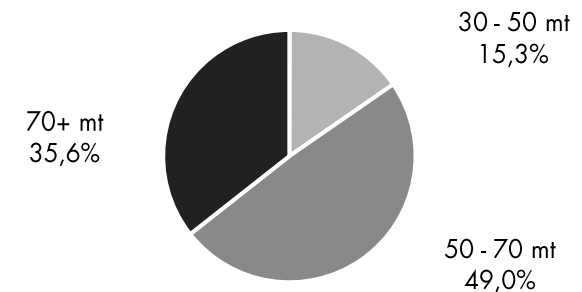
- Increase in demand for Refit activities driven by market growth
- Segment characterised by resilience and low cyclicalit
- Main focus on yachts over 50 mt (82% of refitting revenues)
- Consolidated know-how for both Sailing and Motor Yachts

## 2021 Revenues breakdown

### Revenues 9M 2021 by Technology



### Revenues 9M 2021 by LOA

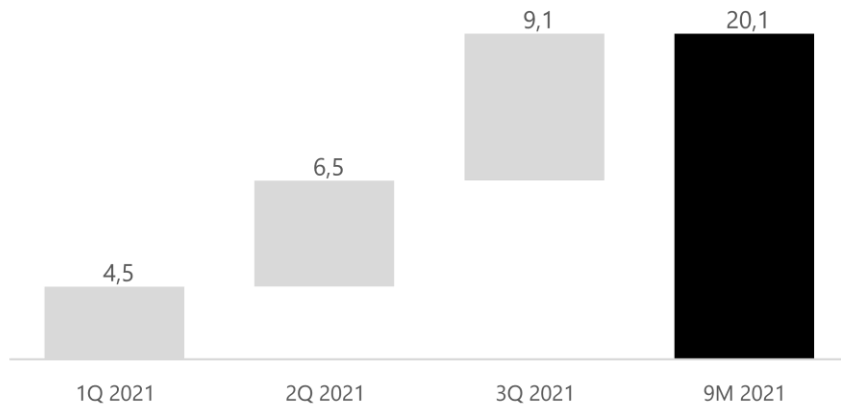


# Significant investments to expand production capacity

Investment plan "TISG 4.0" on track to increase by 40% the capacity of the Marina di Carrara Shipyard

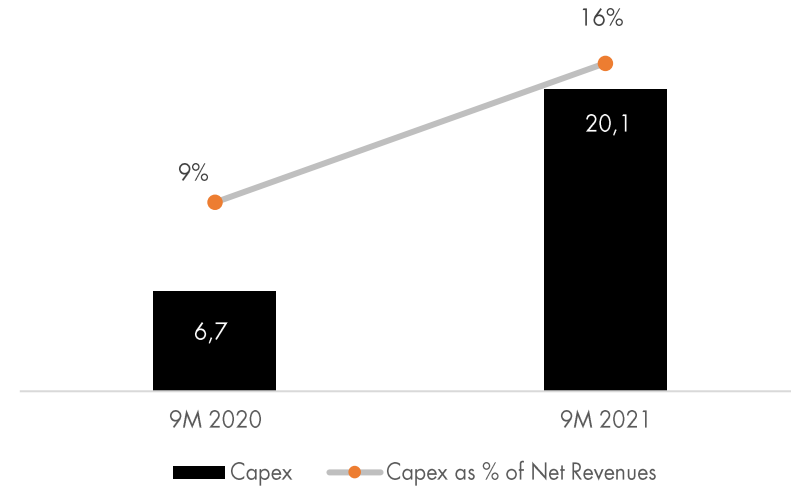
CAPEX EVOLUTION

(Eu mn)



CAPEX

(Eu mn)



## Comments

Investments for Eu 20,1 mn were made for the expansion of the Marina di Carrara shipyard, which involved the completion of a new shed and the construction of a new dry dock, now completed.

# STRATEGY

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# Update on Perini Navi

- Perini Navi declared bankruptcy on January 29<sup>th</sup>, 2021
- TISG has presented an irrevocable proposal for Eu 47 mn on October 26<sup>th</sup>, 2021
- Third auction scheduled for December 22<sup>nd</sup>, 2021



Perini «*Maltese Falcon*» in The Italian Sea Group Shipyard undergoing refit activities

## Purpose of Acquisition

- Increasing the spaces dedicated to new constructions and refitting
- Bringing into the Group another internationally renowned brand
- Expanding to the sailing yachting world

## TISG's Strengths

- Internalisation of technical Perini know-how from recent hires
- Construction in progress of a Sailing Catamaran, one of the biggest in the world
- Consolidated ability to relaunch heritage brands (Admiral, Tecnomar)
- Already refitted most vessels from Perini's fleet

# Update on Investment Plans – TISG 4.0 and TISG 4.1

- TISG 4.0 Investment plan deliberated in 2020 with c. Eu 40 mn to expand production capacity by 40%
- Deliberation on November 4<sup>th</sup>, 2021 of a new investment plan, TISG 4.1 for Eu 14 mn inside the Marina di Carrara shipyard



The completed new dry dock, part of TISG 4.0 investment plan

## Main Steps of TISG 4.0

- On **March 22<sup>nd</sup>, 2021** TISG completed the construction of a new Shed (126x80 mt), able to accommodate vessels up to 80 mt
- **Completion of a new dry dock (147x48 mt)** with an entrance door of c. 30 mt and a surface of 6.500 sqmt with a max capacity of 5 yachts between 60 and 70 mt and vessels up to a maximum dimension of 140 mt

## Main Objectives of TISG 4.1

- Expansion of the shed on the original dry dock, plus a series of facilities and service plants
- Increase in contemporaneity of vessels in built by **4 units**
- Shift in the shipyard's construction limit from 100 to 140 mt

# Main Pillars

## Business outlook



- ✦ Resilient market for mega-yachts over 60 mt, backed by increase in global number of UHNWIs
- ✦ Upward trend in prices through recognized brand allure and luxury positioning, reducing the price gap with Northern-European Shipyards

## Operational Capacity



- ✦ Backlog based business granting exceptional visibility and optimised control over operations
- ✦ Investment plans TISG 4.0 and TISG 4.1 aimed at increasing production capacity and allowing for a higher contemporaneity between projects, both for Shipbuilding and Refit

## ESG Initiatives



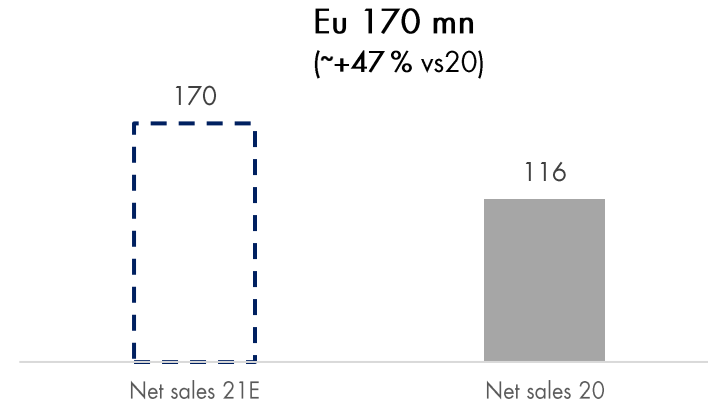
- ✦ Sustainable materials (aluminium and steel), innovation (e.g. diesel-electric propulsion) and investments on sustainable energy sources (e.g. photovoltaic plants)
- ✦ TISG Academy: training programs for employees and graduating students in collaborations with the Universities of Genoa, La Spezia, and Trieste

# Guidance and Concluding Remarks

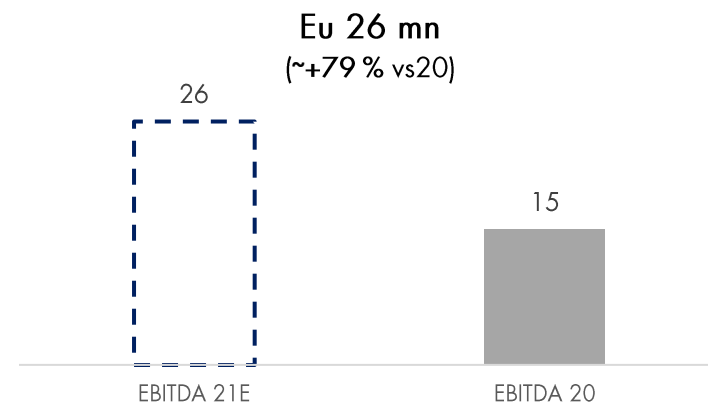
- Guidance 2021 confirmed, positioning on the higher part of the indicated value range
- Expected 2021 EBITDA Margin: c. 15% with strong cash generation
- Evaluation of a new partnership with a luxury brand having the same prestige as the two existing collaborations, **Giorgio Armani** and **Automobili Lamborghini**, to reinforce high end positioning in the market



## Net sales 21E



## EBITDA 21E





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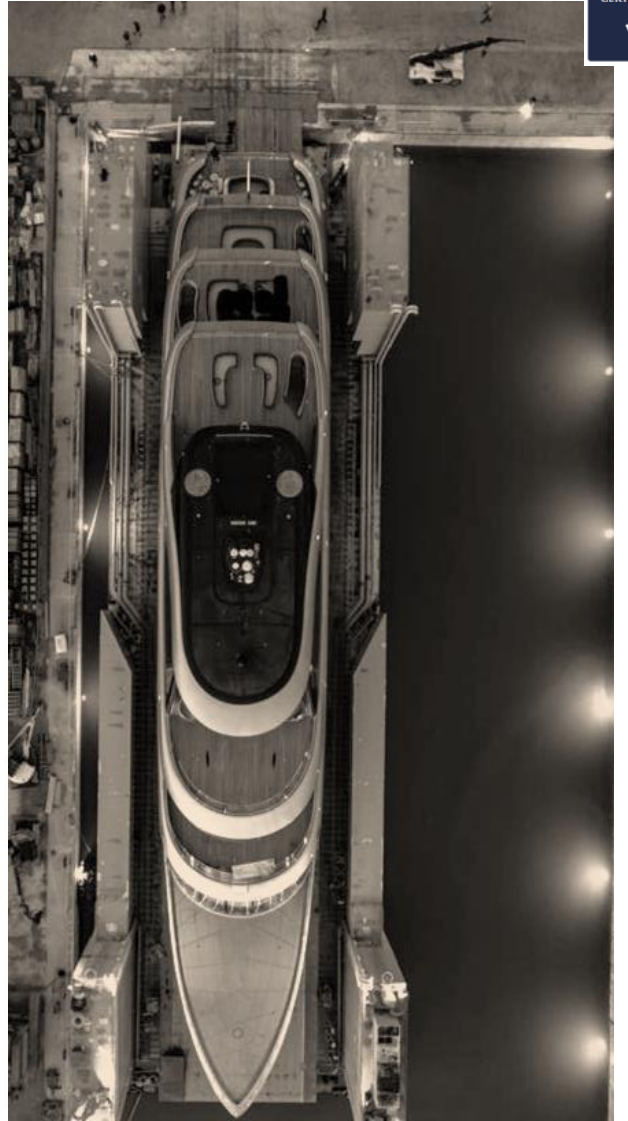
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