

THE ITALIAN SEA GROUP



PICCHIOTTI
SINCE 1878

ADMIRAL

PERINI NAVI

tecnomar

NCA

INTERMONTE "LE ECCELLENZE DEL MADE IN ITALY" SEPTEMBER 30TH, 2022

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The Italian Sea Group at a glance

3

SHIPYARDS
IN ITALY

4

BUSINESS
UNIT

6

SHIPYARDS
IN EUROPE
EXCLUDING
ITALY

1250

LAUNCHED
YACHTS

The Italian Sea Group S.p.A. is a global operator in luxury yachting, the first builder in Italy and fourth in the world for yachts over 50 metres¹.

BRANDS

PICCHIOTTI
SINCE 1575

 **ADMIRAL**

 **PERINI NAVI**

TECNOMAR

NCA REFIT

PARTNERSHIPS

TECNOMAR FOR 


GIORGIO ARMANI

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Note: 1) Ranking based on 2021 Order Book (fonte: 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.

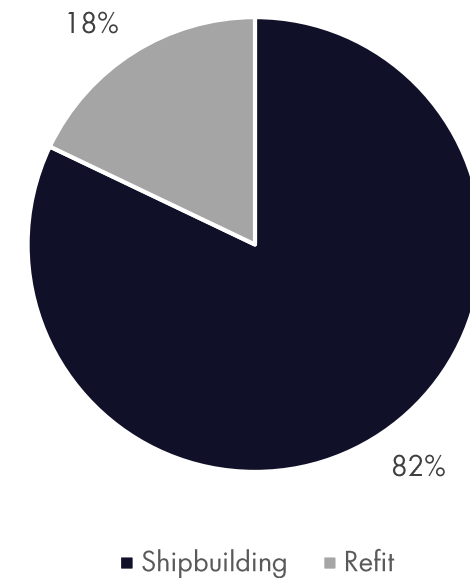
- **Admiral** – focus on yachts over 50 mt
- **Tecnomar** – speed motor-yachts from 37 to 50 mt
- **Tecnomar for Lamborghini 63** – motor yacht in partnership with Automobili Lamborghini (c. 20 mt)
- **Perini Navi** – sailing yachts over 55 mt
- **Picchiotti** – “gentleman yachts” in aluminium, from 24 to 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, with particular focus on yachts over 60 mt.

NET REVENUES BREAKDOWN 1H 2022

Net Revenues 1H 2022
Eu 133,6 mn



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FINANCIALS

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NCA REFIT

1H 2022 – Highlights



Total Revenues to 133.6 million Euros, growing by +65.1% vs H1 2021



Significant increase in EBITDA to 19.9 million Euros, growing by +94.2% vs H1 2021, with an EBITDA Margin equal to 14.9%



Order Book (Shipbuilding and Refit) to 922 million Euros and Net Backlog (Shipbuilding and Refit) to 537 million Euros



Net Result equal to 7.6 million Euros, growing by +65% vs 1H 2021



Investments equal to 7 million Euros for the progress of investments on the shipyards' production capacity and energy efficiency

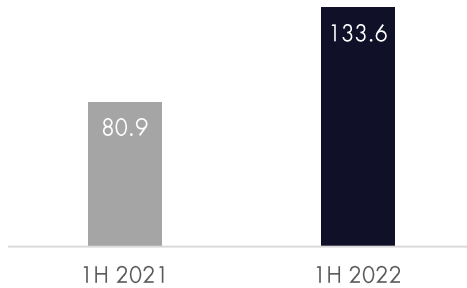


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1H 2022 in numbers (1/2)

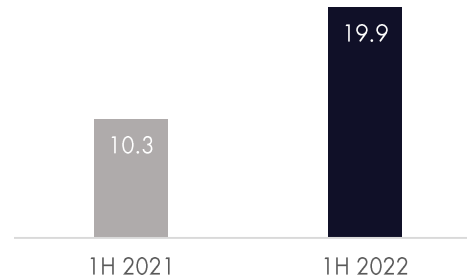
Total Revenues 1H 2022

Eu 133.6 mn
(+65.1% vs 1H 2021)



EBITDA 1H 2022

Eu 19.9 mn
(+94.2% vs 1H 2021)

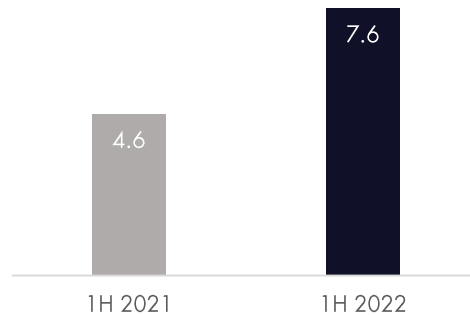


Comments

- 65.1% increase in Total Revenues vs 1H 2021, due to the positive progress of Shipbuilding projects and the increase in Refit activities due to the expansion in production capacity.
- Growth in **EBITDA Margin** reflects:
 - An optimal mix between Shipbuilding and Refit activities, granting strong marginality;
 - Strict cost management and budget control;
 - Increase in the sale prices of products, due to renown quality standards and high-end market positioning.

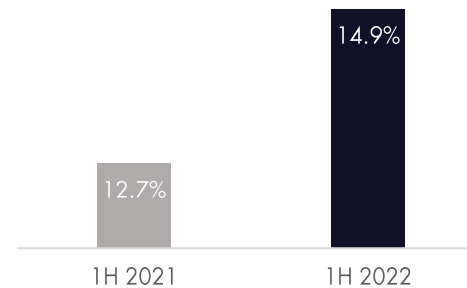
Net Result 1H 2022

Eu 7.6 mn
(+65% vs 1H 2021)



EBITDA Margin 1H 2022

(+220 bps vs 1H 2021)



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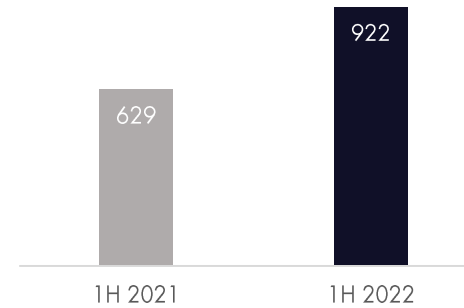
1H 2022 in numbers (2/2)

Comments

- Increase in **Order Book** as of June 30th 2022, with **36 yachts** under construction
- **Net Financial Debt** reflecting:
 - - **Eu 75 million** for the **Perini Navi** acquisition;
 - - **Eu 7 million** of investments in 1H 2022;
 - - **Eu 6.5 million** Net Working Capital.
- **Investments for Eu 7 million** related to the progress of investment plans "TISG 4.0" and "TISG 4.1", works on the two Viareggio and La Spezia shipyards, as well as modernisation and energy efficiency of structures.

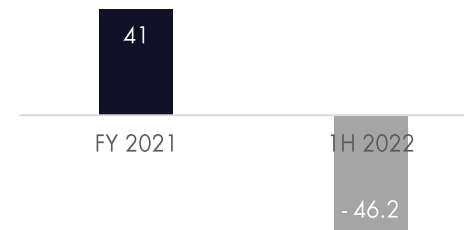
Order Book 1H 2022

Eu 922 mn



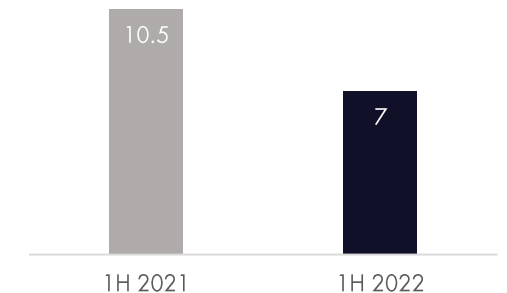
PFN¹ 1H 2022

Eu -46.2 mn



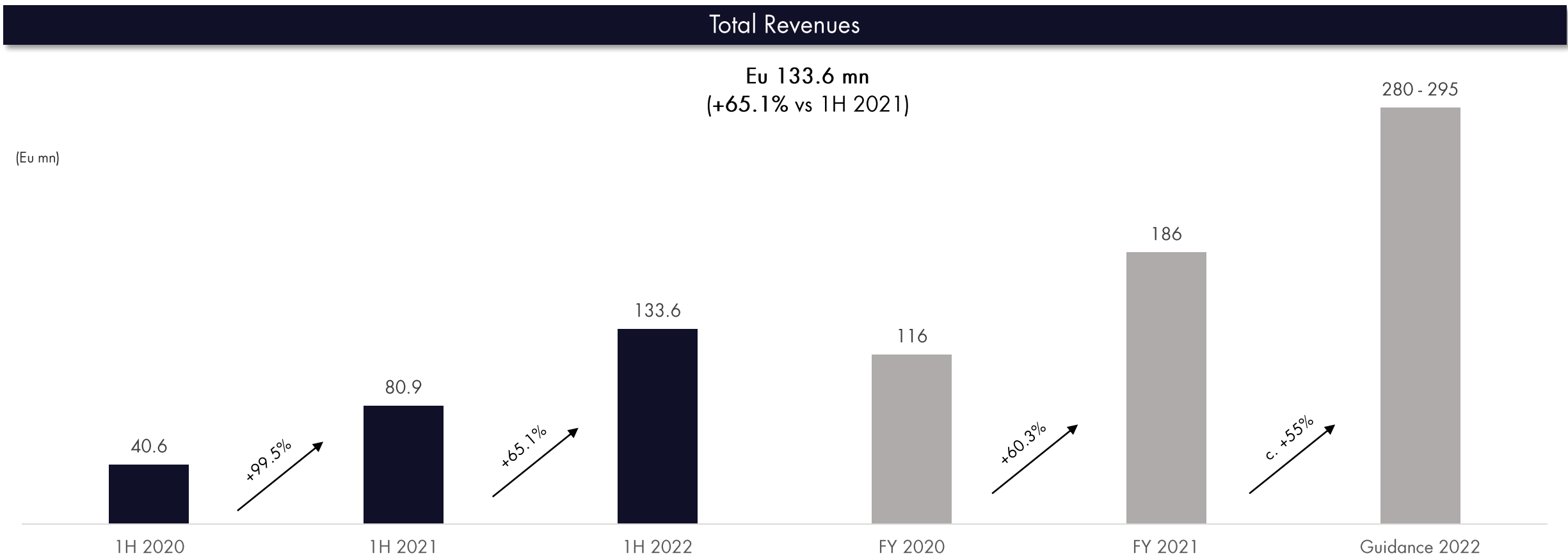
CAPEX 1H 2022

Eu 7 mn



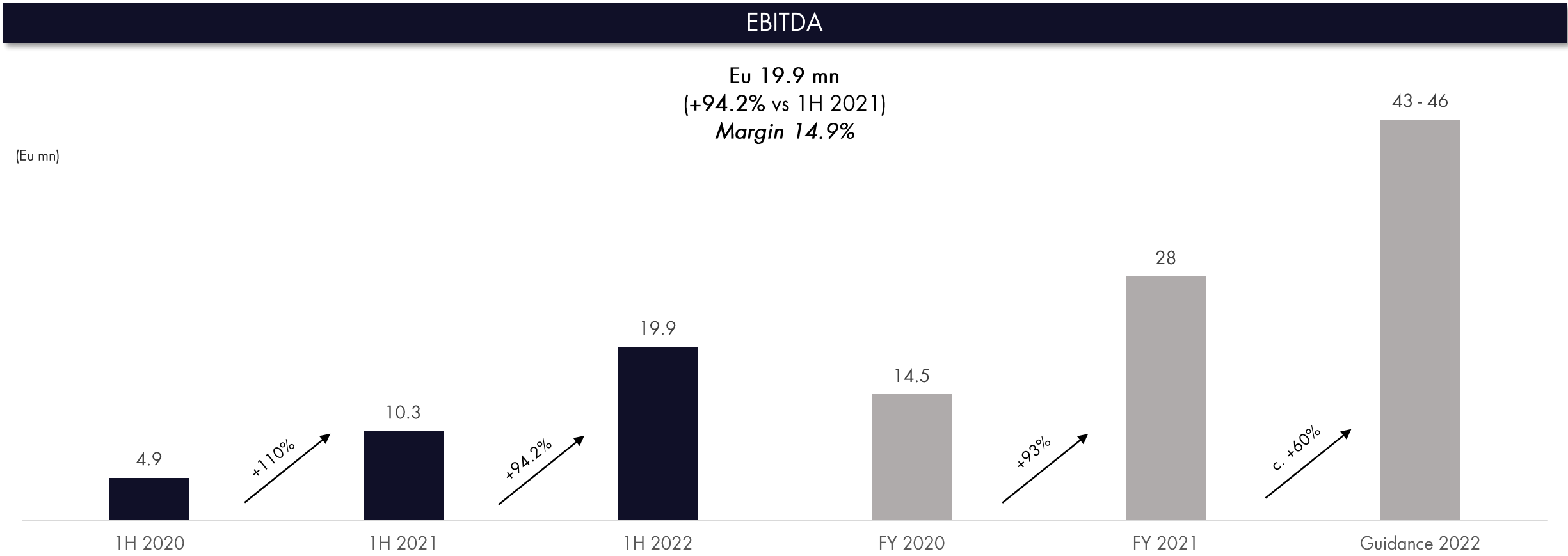
Note: 1) According to IAS/IFRS accounting principles, Net Financial Debt includes the current value of fees due to the Port Authorities for the state concessions of the shipyards in Marina di Carrara, Viareggio and La Spezia, equal to 6.9 million Euros at June 30th 2022, amount which will be paid throughout the duration of the related concessions.

Total Revenues Evolution



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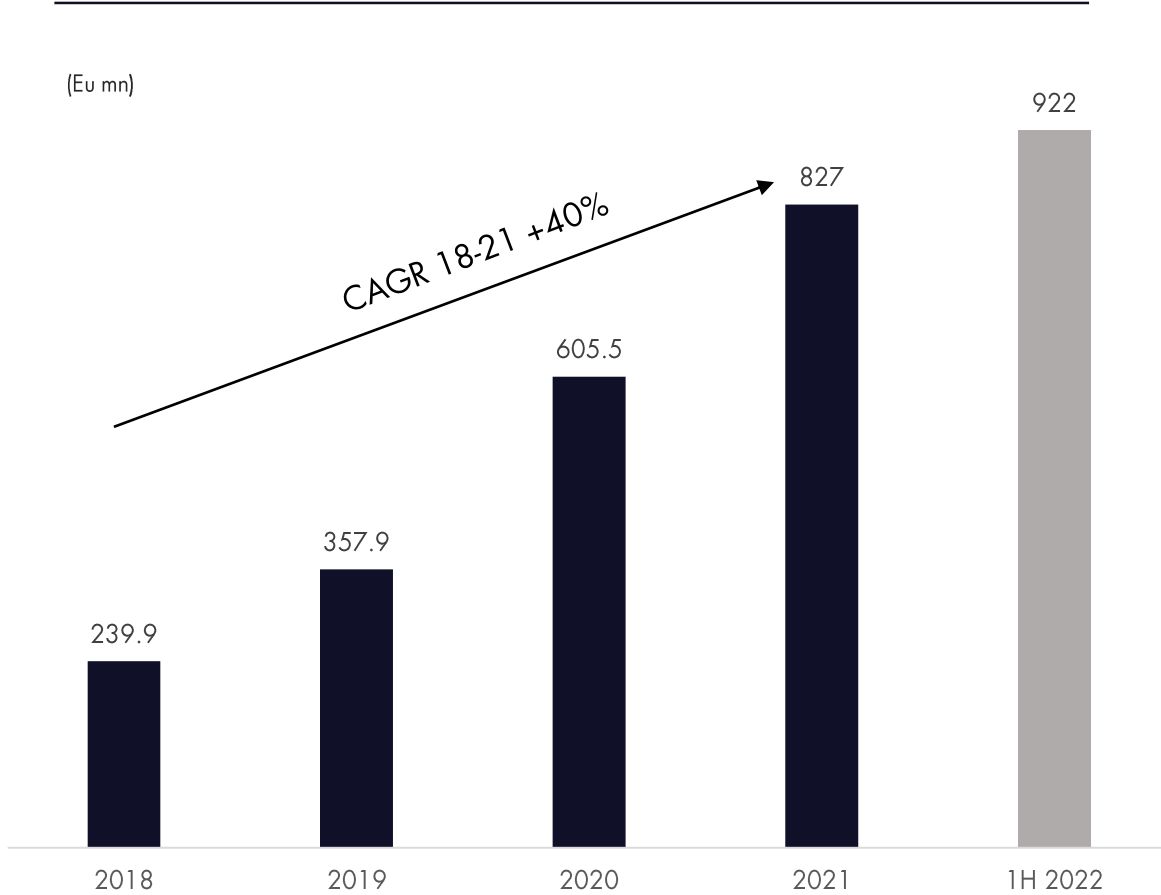
EBITDA Evolution



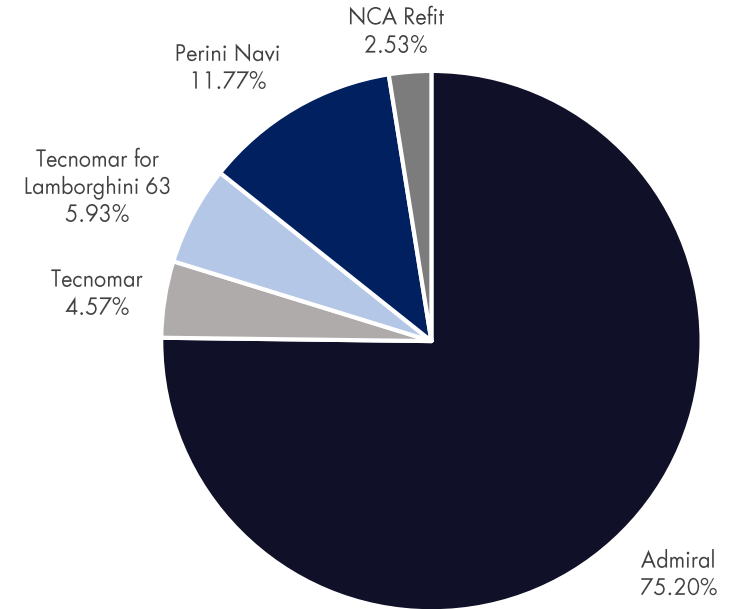
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Order Book Evolution

1H 2022 Order Book



1H 2022 Order Book – Breakdown by brand



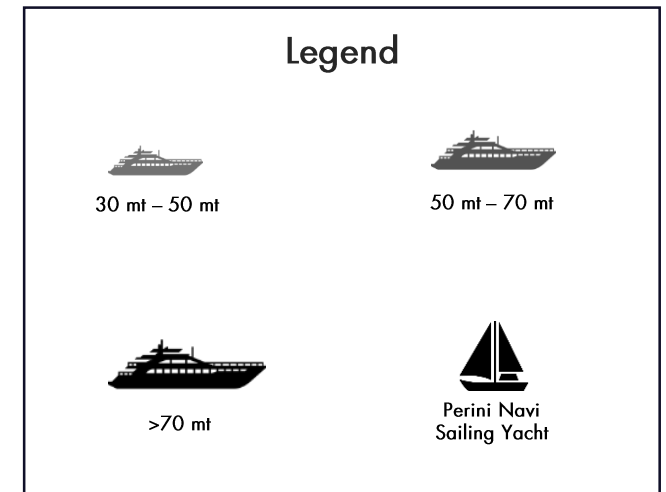
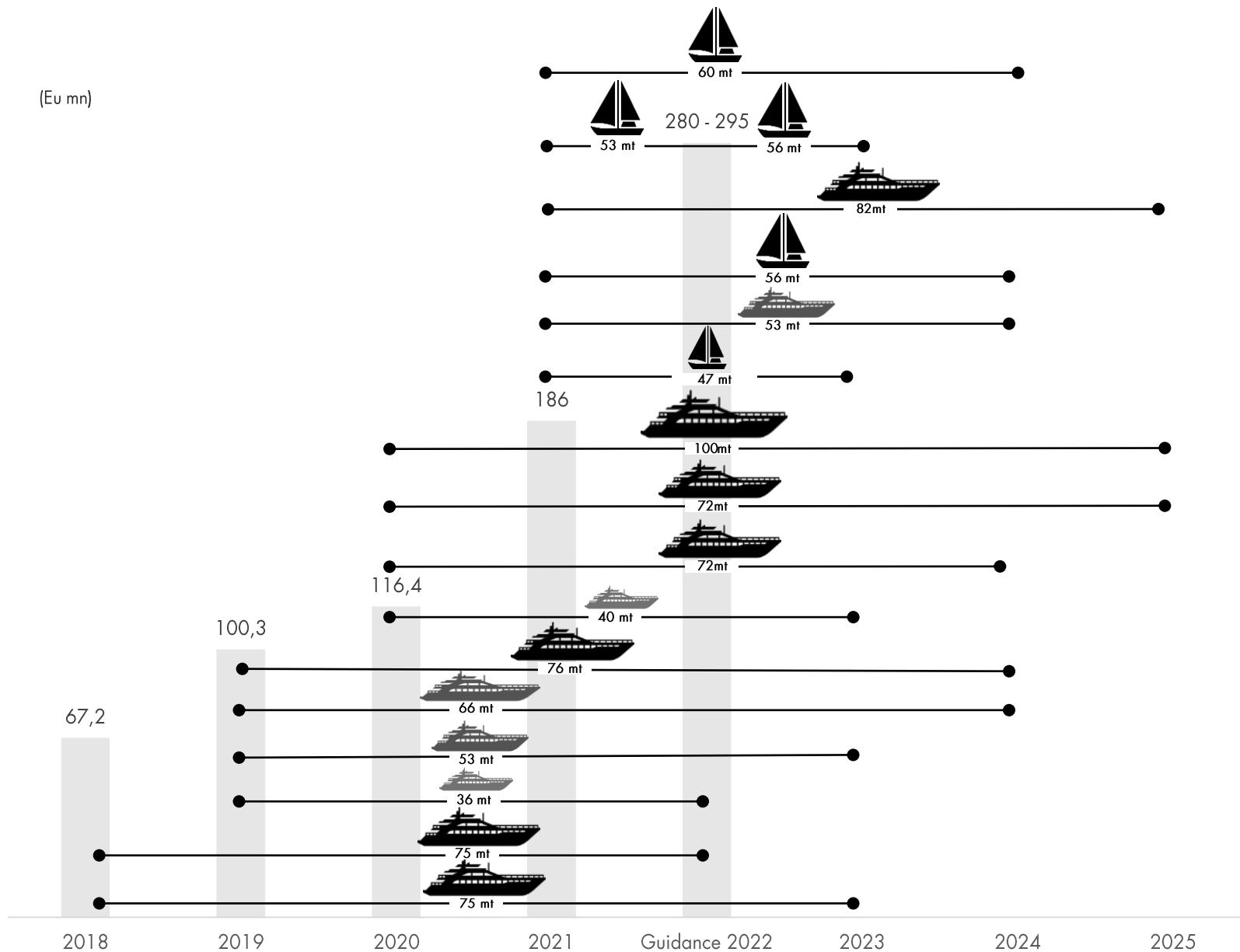
Comments

- Order Book with visibility up to 2026:
 - 17 mega and giga yachts under construction;
 - 19 Tecnomar for Lamborghini 63.

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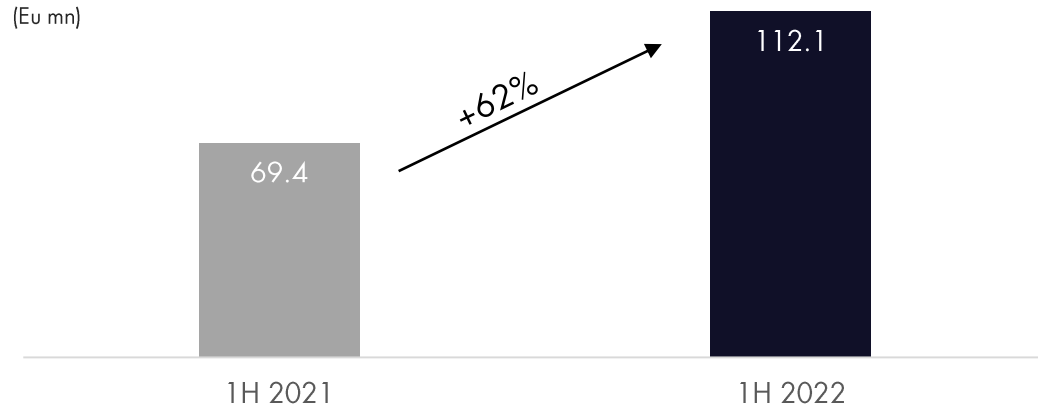
Order Book Evolution – Custom Made Yachts

(Eu mn)



1H 2022 – Shipbuilding

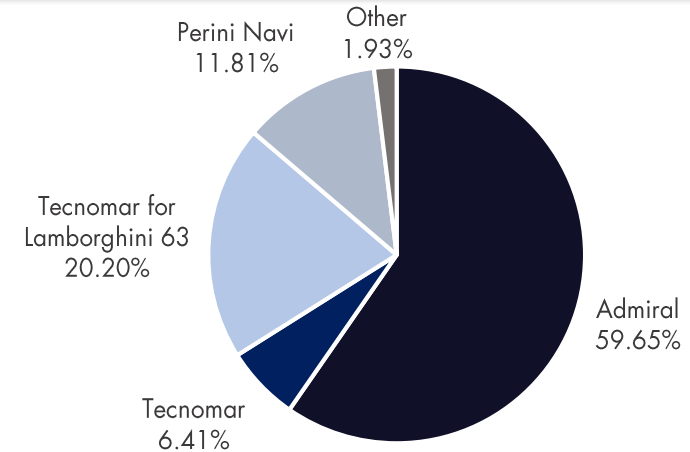
Revenue Evolution – Shipbuilding



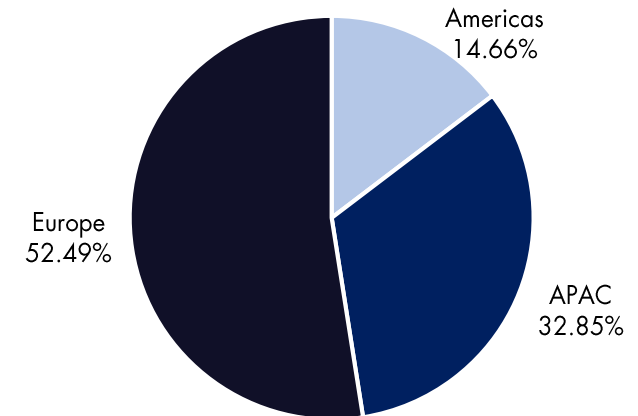
Comments

- Growth in Shipbuilding revenues driven by:
 - Sound progress of orders for motor-yachts in the higher dimensional range (over 60 mt);
 - Progress of projects under construction;
 - Increase in sale prices due to recognised quality and high-end market positioning.

Revenue Breakdown by brand - Shipbuilding



Revenue Breakdown by geography - Shipbuilding

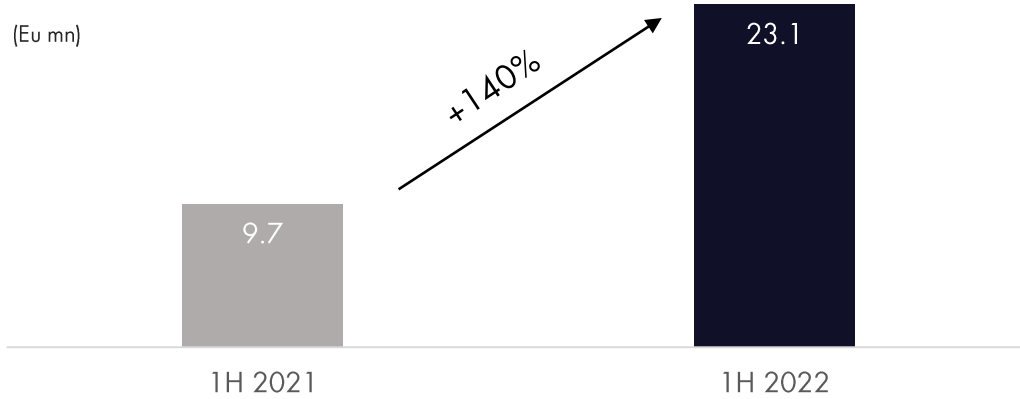


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1H 2022 – Refit

Revenue Evolution - Refit

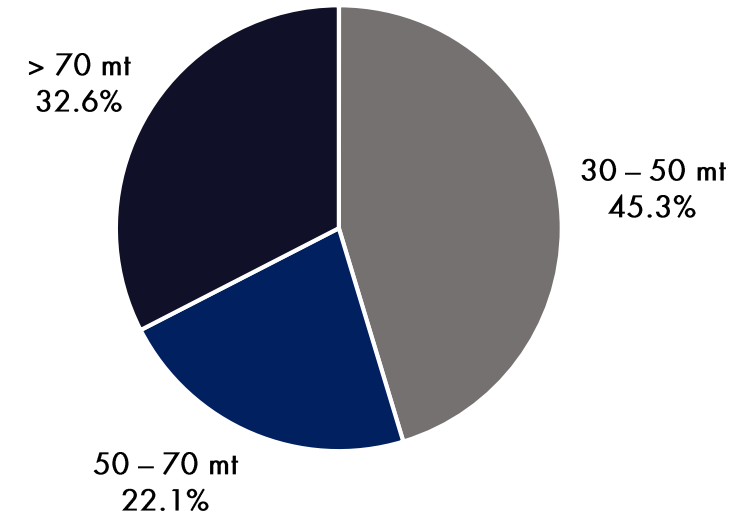
(Eu mn)



Comments

- Growth in Refit revenues driven by:
 - Increase in production capacity from investment plans;
 - Beginning of activities in the Viareggio and La Spezia shipyards.

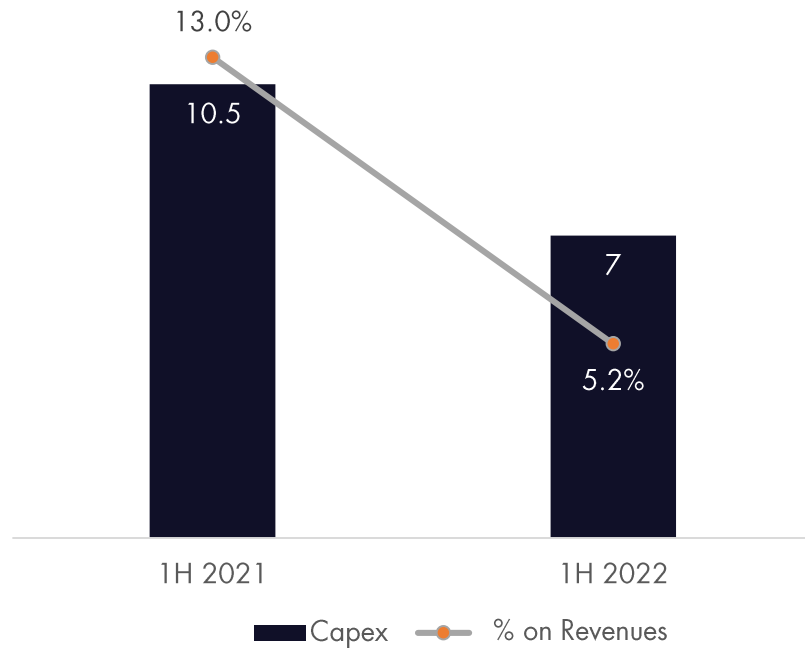
Revenue Breakdown by Dimension - Refit



CAPEX

1H 2022

(Eu mn)



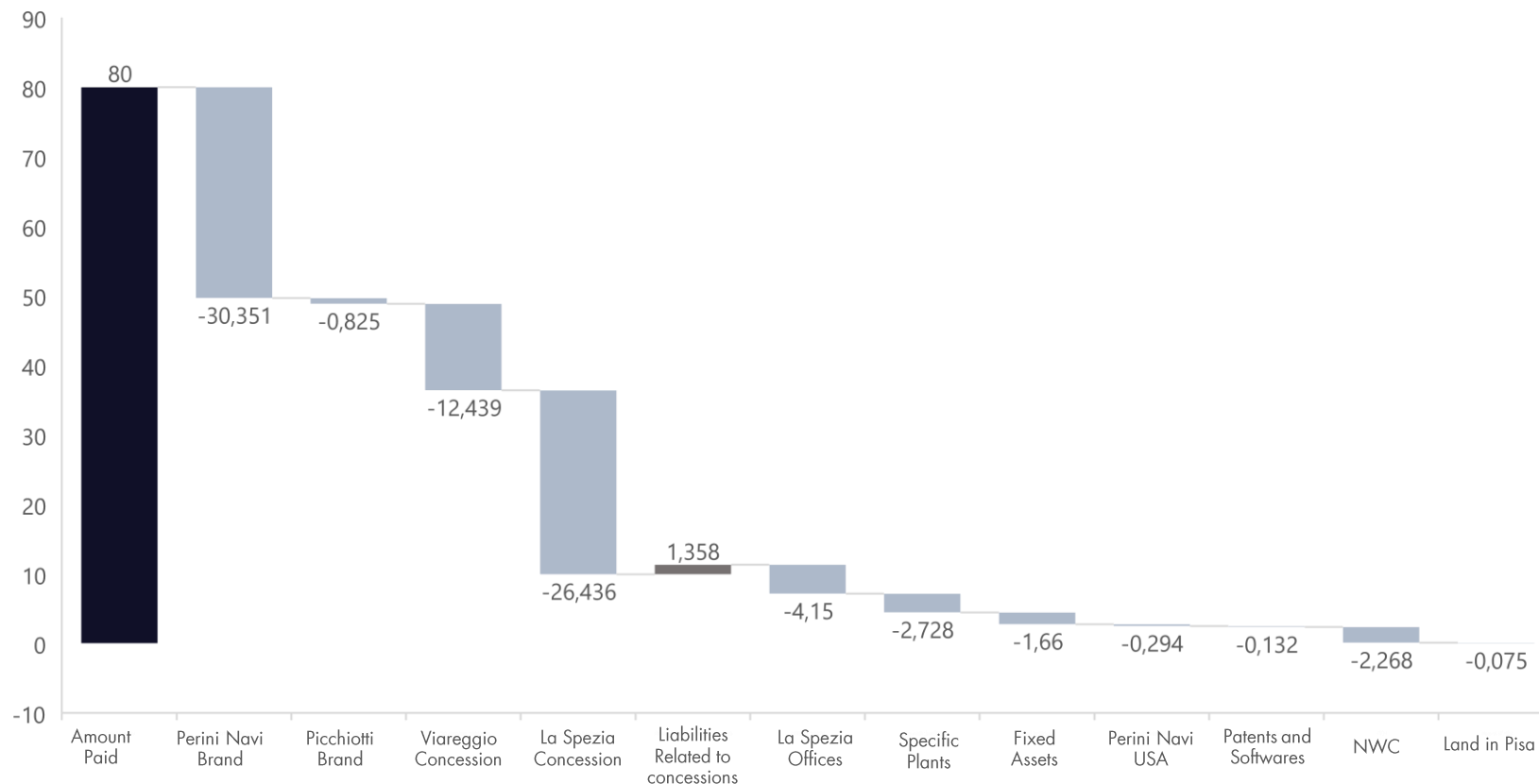
Comments

- **Investments for Eu 7 mn**, reflecting:
 - Sound progress of activities related to “TISG 4.0” and “TISG 4.1” investment plan;
 - Start up of the Viareggio and La Spezia Shipyards;
 - Energy efficiency works and beginning of installation of the photovoltaic plant in Marina di Carrara.

Purchase Price Allocation (PPA) Perini Navi

During the first half of the year, the Company allocated the value of the assets of the Perini Navi acquisition, for a total of 80 million Euros, as follows:

ASSET	VALUE (Eu mn)
Perini Navi Brand	30.351
Picchiotti Brand	0.825
Viareggio Concession	12.439
La Spezia Concession	26.436
Liabilities related to Concessions	-1.358
La Spezia Offices	4.150
Specific plants	2.728
Fixed assets	1.660
Perini Navi USA	0.294
Patents and softwares	0.132
Net Working Capital	2.268
Land in Pisa	0.075
TOTAL AMOUNT PAID	80

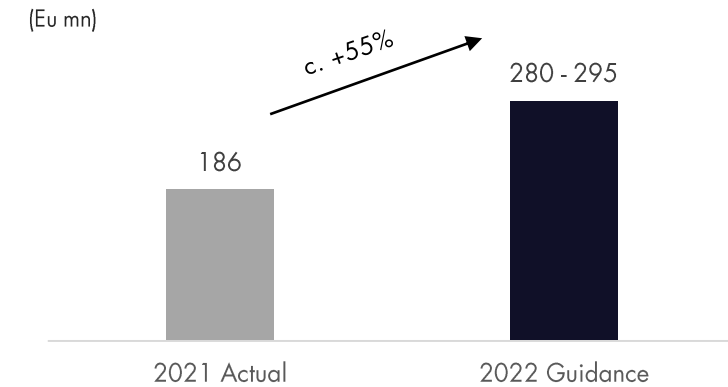


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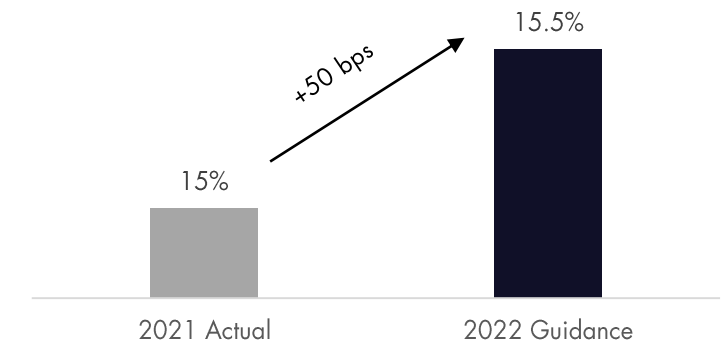
FY 2022 Guidance

- **Total Revenues 2022** expected to grow by **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

Total Revenues Guidance 2022



EBITDA Margin Guidance 2022



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STRATEGY

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Strategy Evolution



Focus on larger dimensions for vessels, up to **over 100 mt LOA**, granting better backlog coverage and higher visibility.



Maximisation of **production capacity** through two serial production projects (Gentleman Picchiotti and Admiral Panorama), always in a perspective of **production on sold yachts** and **no risk of inventory**.



Restyling of the Perini Navi fleet to present within the end of the year, with **three sailing yacht deliveries** already scheduled between 2023 and 2024.



Launch of the “Gentleman Picchiotti” fleet, a line of yachts in aluminium with a classic style, in a dimensional range from 24 to 55 mt.



Strengthening of the Company’s high-end positioning, also through the development of **partnership agreements** with leading luxury brands such as **Automobili Lamborghini** and **Giorgio Armani**.



Expansion of the Group’s commercial presence in strategic locations (Porto Cervo, East Hampton) and strengthening of *brand awareness* also through partnerships with international brokers.



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Serial Production Projects



✦ The Italian Sea Group approaches serial yacht production, maintaining its high-end positioning through the usage of noble materials such as steel and aluminium.

✦ Entrance in this segment has been favoured by:

- increase in production capacity through the investment plan and the acquisition of the two new production sites;
- Integration of new employees, allowing the company to increase its product offering without involving the engineering capacity dedicated to custom made large yachts.

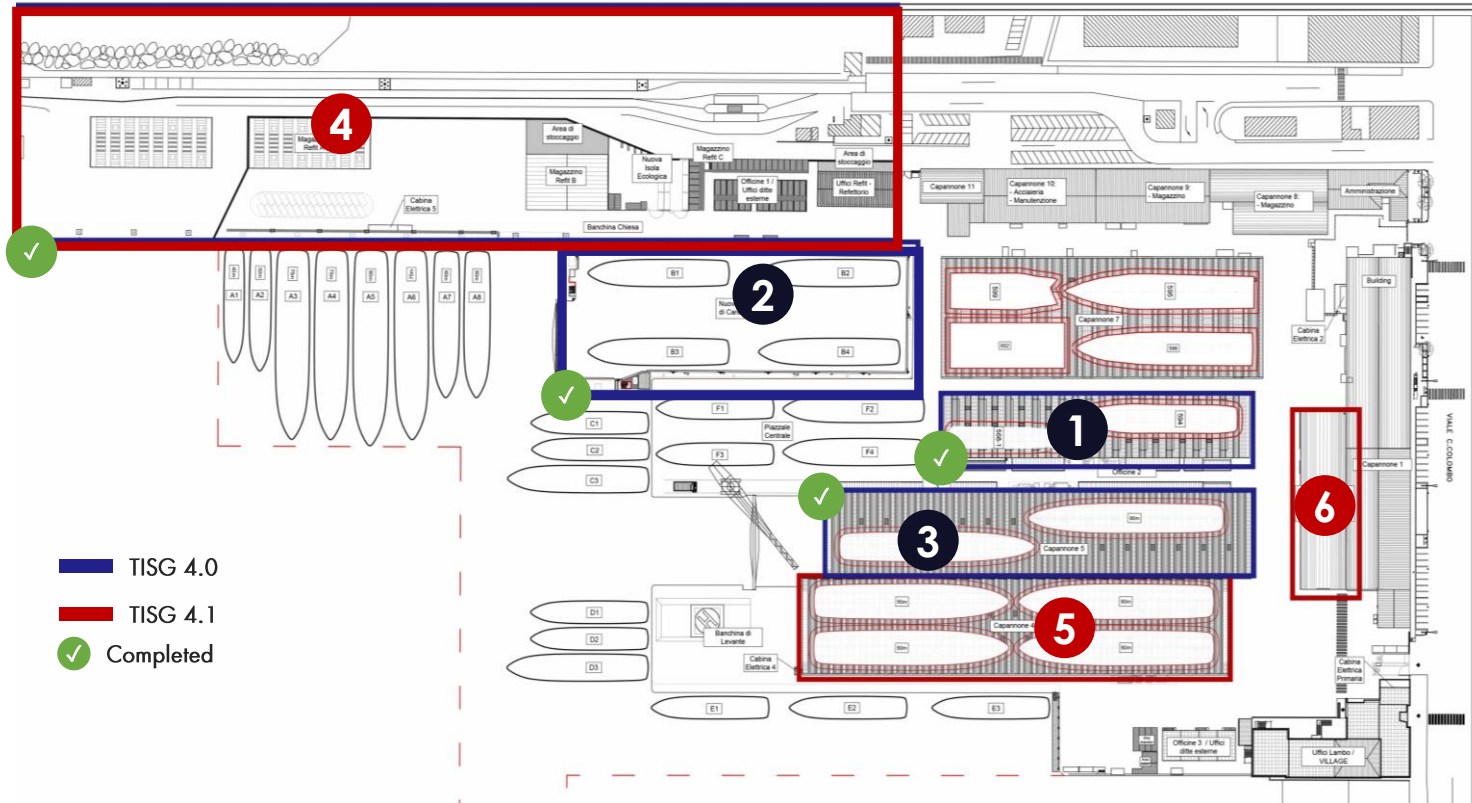
✦ In line with the Company's commercial strategy, production will be started only **after the signing of a sale contract with clients**

TISG produces only after the product is sold, and without trade-ins.

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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 [completed]

“TISG 4.1”

- 4 Expansion on the Chiesa Dock to expand spaces dedicated to refit activities and moorings of yachts [completed]
- 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

ESG – Energy Efficiency in Marina di Carrara



The project, in collaboration with EDP Energia Italia, consists in the installation of a photovoltaic plans on 4 sheds and is developed in two sections, with all works being completed within the end of 2022.

Number of panels	5,375
Surface covered	22,000 mq
Yearly production capacity	2,571 MWh <i>25% of the shipyard's energetic consumption</i>
Yearly CO2 Reduction (in tons)	1,208

The **first section** of the project is already operational since **June 15th, 2022**.

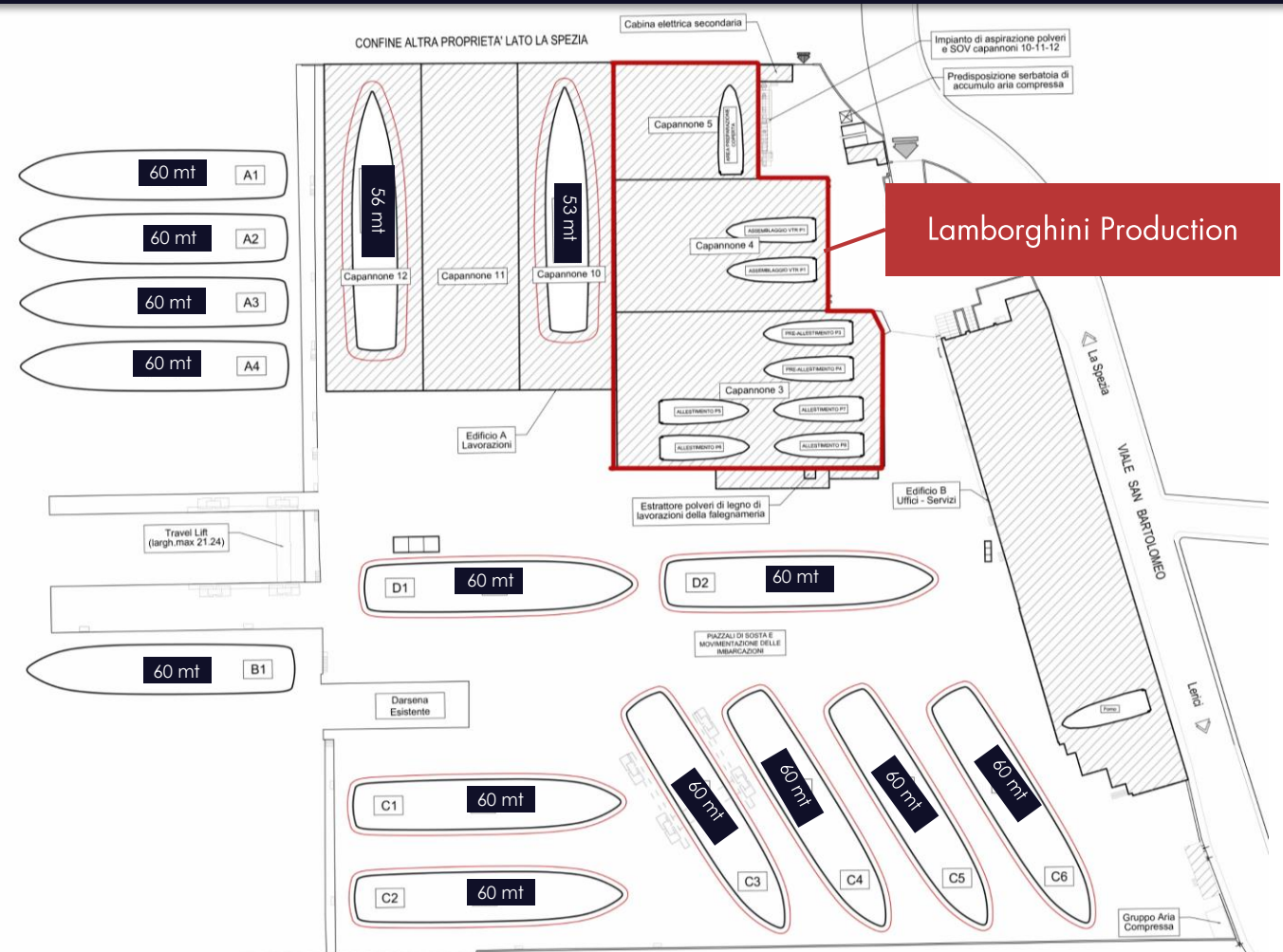
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Perini Navi Acquisition – La Spezia Production Facilities

LA SPEZIA

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

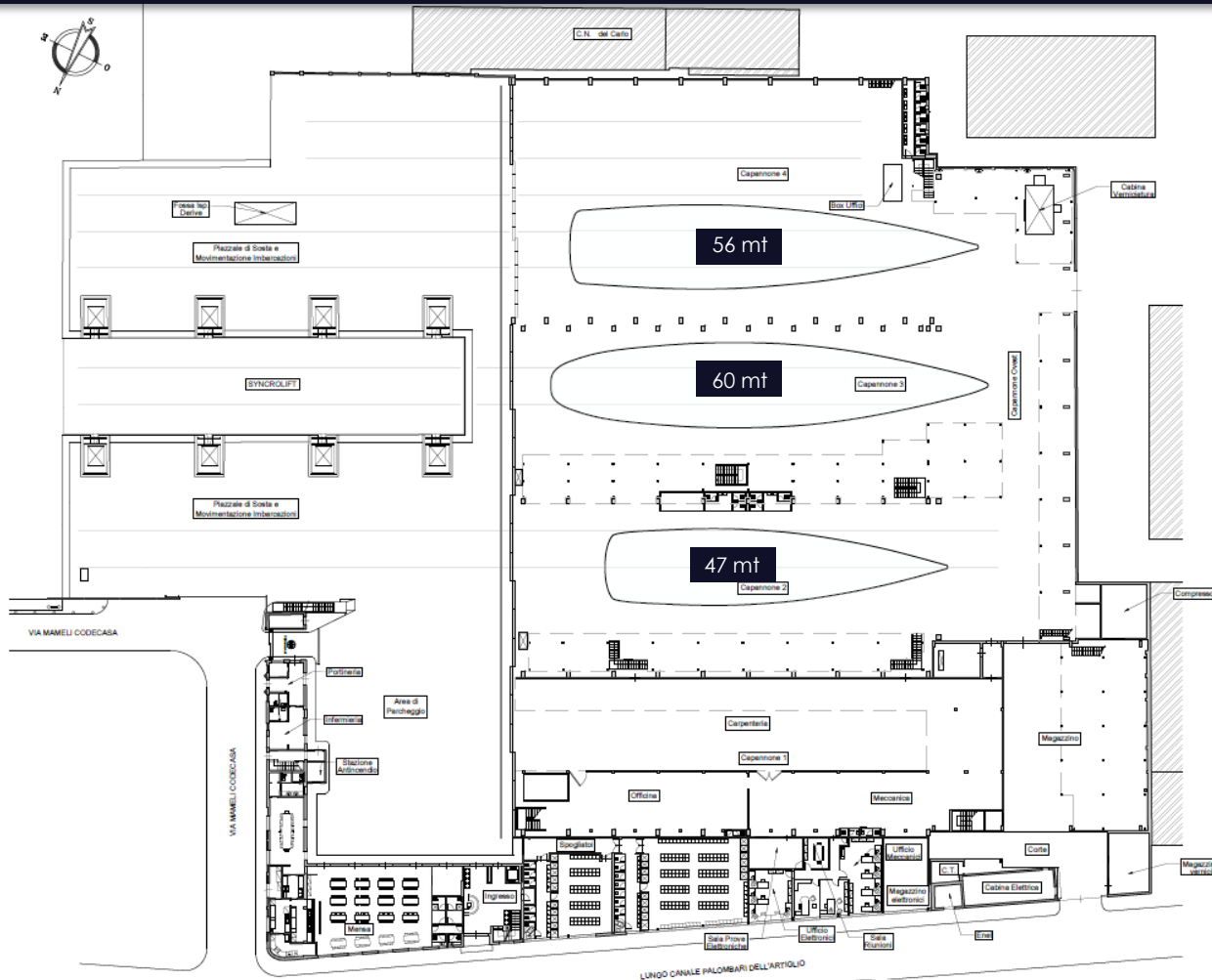
- Production facilities dedicated to refit, with a contemporaneity up to 16 orders of c. 60 mt LOA
- Production facilities dedicated to Tecnomar for Lamborghini 63



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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 and Gentleman Picchiotti
- Three deliveries of sailing yachts scheduled between 2023 and 2024.



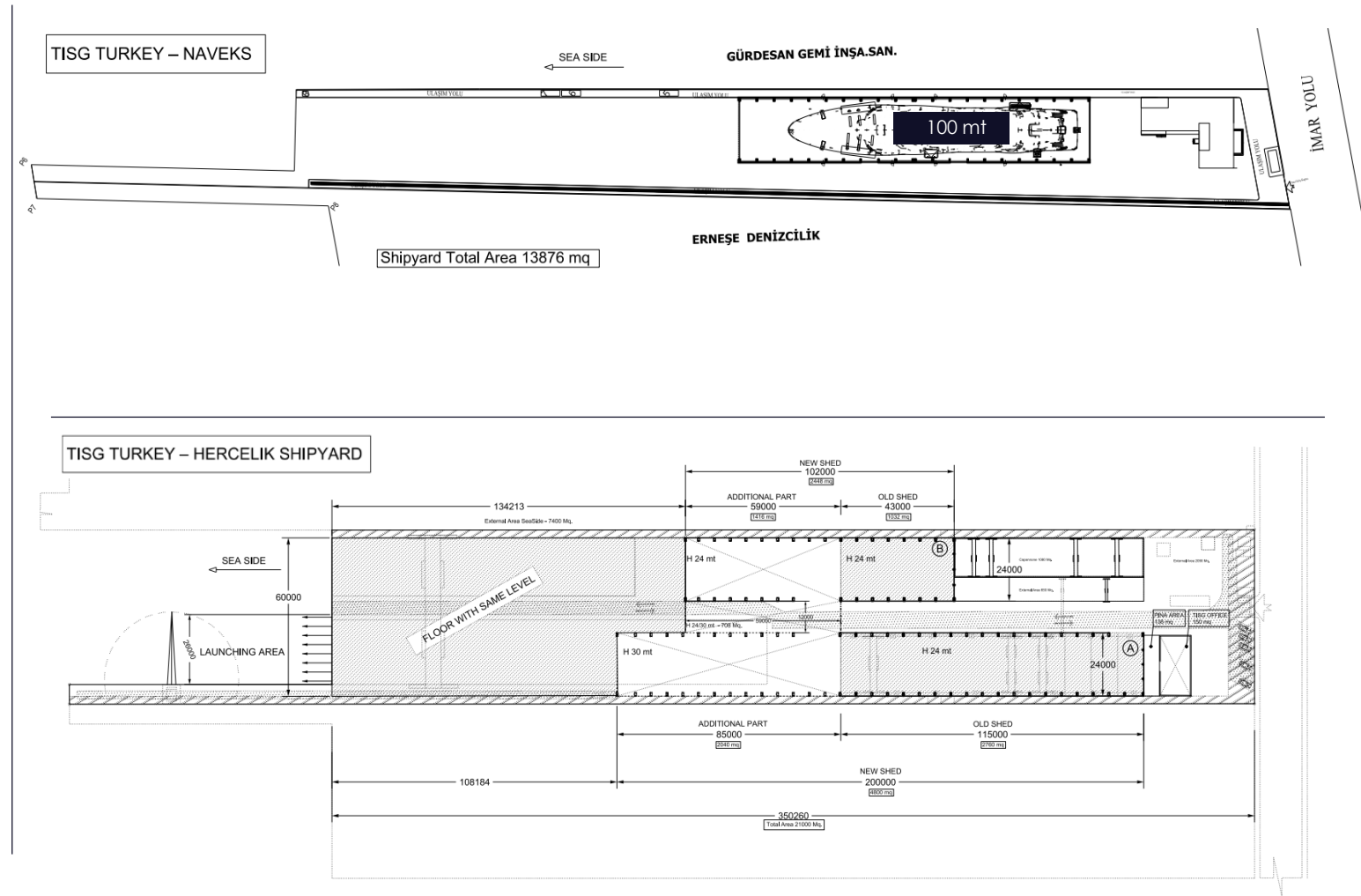
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TISG Turkey Acquisition – Headquarters

The Italian Sea Group completed the acquisition of 100% of TISG Turkey Yat Tersanecilik Anonim Sirketi ("TISG Turkey") shares from GC Holding S.p.A. for a price of Eu 150,000.

This operation will allow the Company to:

- consolidate the entire production process, granting a more integrated and quality-oriented management of the operations;
- favour the investment strategy directly from TISG to TISG Turkey with a view to further business growth.



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“I grandi sogni non devono mai finire”

Giovanni Costantino
Founder & CEO - The Italian Sea Group

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