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Oggetto : THE ITALIAN SEA GROUP: THE BOARD
OF DIRECTORS APPROVES THE
SELECTED INFORMATION RELATED TO
THE FIRST NINE MONTHS OF 2022

Testo del comunicato

Vedi allegato.

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PRESS RELEASE

THE ITALIAN SEA GROUP:

THE BOARD OF DIRECTORS APPROVES THE SELECTED INFORMATION RELATED TO THE FIRST NINE MONTHS OF 2022

Strong Revenue Growth at +64.6%

EBITDA improves +89.7% and EBITDA Margin at 15.7%

2022 Guidance confirmed at the high end of the range

Selected information for the first nine months of 2022 compared to the same period of 2021:

- **Total revenues: EUR 210.3 million, +64.6%** compared to EUR 127.8 million as of September 30th, 2021;
- **EBITDA: EUR 33 million, +89.7%** compared to EUR 17.4 million as of September 30th 2021, with a margin on total revenues equal to 15.7% compared to 13.6% as of September 30th 2021;
- **Backlog: Gross backlog** (Shipbuilding and Refit) equal to **EUR 983 million** and **Net backlog** (Shipbuilding and Refit) equal to **EUR 566 million**;
- **Net Financial Debt** at **EUR 46 million** compared to a positive Net Financial Position of EUR 41 million as of December 31st 2021;
- **Investments: EUR 11 million** in the first nine months of 2022, **EUR 4 million of which** in the third quarter of 2022.

Marina di Carrara, November 10th 2022 – The Board of Directors of The Italian Sea Group S.p.A. (“**TISG**” or the “**Company**”), global operator in luxury yachting, today approved the selected information relating to the business performance in the third quarter 2022¹ (Revenues; EBITDA; Backlog; Net Financial Position; Investments).

¹ Information not subject to audit, not even limited.

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Giovanni Costantino, Founder & CEO of The Italian Sea Group, commented:

“The results of the first nine months of 2022 confirm a strong and constant growth, allowing TISG to position itself at the highest end of the Revenue Guidance for 2022, with an EBITDA Margin as of September 30th at 15.7%, well above the target already announced to the market.

The solidity of our strategy is also testified by the success of our series production projects that, just a few months after their launch, have generated a strong commercial interest with the sale, in the third quarter 2022, of two Admiral Panorama 50 metre motor yachts.

The implementation of these serial projects will allow a further acceleration of our growth path, by enhancing two different growth drivers and thus continuing to focus our internal engineering capacity on deeply innovative custom-made yachts such as the new Perini fleet, that will soon be launched and, we believe, will bring more momentum to our order portfolio.

Furthermore, our investment plans progress steadily in all the three shipyards, with a significant focus on environmental sustainability thanks to the completion of the photovoltaic system in the Marina di Carrara shipyard and the successive start of the sheds coverage in the La Spezia and Viareggio production sites.”

REVENUES

In the first nine months of 2022 TISG has recorded **Total Revenues** equal to **EUR 210.3 million**, up **64.6%** compared to EUR 127.8 million in the same period of 2021.

Operating Revenues (before **Commissions**), equal to **EUR 212.3 million**, increased by **76.4%** versus the same period of 2021.

In particular:

- The **Shipbuilding** division recorded Revenues equal to **EUR 185.7 million** (+**67.7%** compared to the third quarter 2021). The significant increase was driven by the progress of the motor and sailing yachts projects and by the positive development of the **Tecnomar for Lamborghini 63** project.
- The **Refit** division recorded Revenues equal to **EUR 26.6 million** (+**176%** versus the third quarter of 2021) particularly thanks to activities carried out on yachts over 60 metres in length, representing the focus of this business unit. Despite the simultaneous progress of the **“TISG 4.0”** and **“TISG 4.1”** investment plans, the

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Refit division has significantly benefited from the increased production capacity in the Viareggio and La Spezia shipyards. The completion of the works will allow the Refit business to fully exploit the production spaces in the three shipyards, representing an important platform for the further growth of this activity.

EBITDA

EBITDA is equal to **EUR 33 million**, up **89.7%** compared to EUR 17.4 million recorded in the same period of 2021, with a margin on revenues equal to 15.7% versus 13.6% in the first nine months of 2021.

The significant results in terms of marginality are determined by the perfectly balanced mix between the Shipbuilding and Refit activities, as well as a rigorous and constant fixed costs control and the full compliance with the budget for ongoing projects.

The brand consolidation in the highest segment of the global yachting market and the satisfaction for the vessels already delivered testified by yacht owners, has also allowed for a progressive increase in sales prices, thus continuing to reduce the price to Northern-European shipyards.

BACKLOG

The **Gross Backlog (Order Book)** as of September 30th 2022 equals to **EUR 983 million**, while the **Net Backlog** amounts to **EUR 566 million**.

35 yachts are currently under construction, of which 19 mega and giga yachts and 16 **Tecnomar for Lamborghini 63**.

INVESTMENTS

In the first nine months of 2022, the Company has carried out investments equal to **EUR 11 million**, reflecting the progress of the “**TISG 4.0**” e “**TISG 4.1**” investment plans – almost completed – and the finishing of the **Viareggio** and **La Spezia** production sites.

NET FINANCIAL POSITION

The **Net Financial Debt** as of September 30th, 2022, is equal to **EUR 46 million** compared to a positive Net Financial Position of 41 million Euros as of December 31st 2021.

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The change for EUR 87 million reflects the cash outflow due to the Perini Navi acquisition for EUR 75 million, the investments carried out during the first nine months of 2022 for the progress of the “TISG 4.0” and “TISG 4.1” projects and the fine-tuning of the Viareggio and La Spezia facilities, for EUR 11 million, as well as the increase in Net Working Capital, which has generated a cash-out of EUR 1 million as at September 30th 2022.

It is important to note that, in line with the Net Working Capital dynamics respecting the payment collection plan of the instalments related to projects in progress, in the third quarter of 2022 the Company generated cash flow from operations for EUR 4 million.

According to IAS/IFRS accounting principles, the 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 EUR 6.8 million as of September 30th, 2022, amount which will be paid throughout the duration of the related concessions.

GUIDANCE 2022

In light of the third quarter results, the expected acceleration in the next few months due to the seasonality of the business, and the entity of the instalments expected in the next three months of the financial year, TISG confirms 2022 Guidance, which foresees **Total Revenues** between **EUR 280 and 295 million** at the end of 2022, with an **EBITDA Margin of 15.5%**, positioning itself in the higher end of the value range.

BUSINESS OUTLOOK

Perini Navi Production Plan

Nine months after the completion of the Perini Navi acquisition and the integration of the related assets, The Italian Sea Group confirms once again its strategy for the relaunch of the brand and the production plan previously communicated to the market.

The restyling of the Perini Navi fleet continues; the first model, a 56 metre ketch, has been recently unveiled and has been developed in collaboration with **Malcolm McKeon Yacht Design**, leader in the super-yacht industry with innovative designs and high performances.

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The partnership, in line with the plan of continuity and development of sailing yacht production, reprises some of the most iconic stylistic elements of the Perini Navi fleet, reinterpreting them from a modern perspective, combining Malcolm McKeon's input with TISG's production standards.

Serial Production

The Italian Sea Group will continue to invest in the two important serial production projects, which have been recently presented – the Gentlemen's Picchiotti line and the Admiral Panorama motor-yacht, maintaining its high-end positioning and utilising exclusively noble materials, such as steel and aluminium. The Group confirms its strategy, stating that the production of the yachts will start only following the signing of sale contracts and without trade-ins.

Sustainability path

The Italian Sea Group continues its sustainable development journey, with particular attention towards energy sources. The photovoltaic plant, installed in June in the Marina di Carrara shipyard, has already allowed for a significant production of green energy and has partially contributed to limit the effects of the recent increase in energy costs. The plant is expected to cover 25% of the energy consumption of the Marina di Carrara production site, when construction works will be completed.

Furthermore, the Company continues to invest on young employees and excellences in the local community.

In October 2022 the Company started the project **“The Italian Sea Group Young Award”**, aimed at rewarding young employees who stood out for passion, dedication, acquired skills, competences, and results achieved.

Additionally, after the success of the past edition for training program hosted by the TISG Academy in collaboration with prestigious Italian universities, new technical update programs for the Group's young employees have started again in the month of September.

DECLARATION EX ART. 154-BIS, SECOND COMMA, T.U.F.

Pursuant to the Consolidation Act, section 154 clause 2 bis, of the D. Lgs. n. 58/98, as subsequently adjusted (TUF), Mr. Marco Carniani, the Manager in charge of preparing the

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corporate Accounting Books, herewith represents that the financial information contained in this Press Release conforms with corporate accounting documents, records, and books. The following document contains forward-looking statements related to future events and operational, economic and financial results of The Italian Sea Group S.p.A. Such forward-looking statements, by their nature, contain an element of risk and uncertainty, as they rely on the realisation of future events and developments.

The consolidated financial report as of June 30th, 2022 is currently undergoing legal audit, activity which is currently yet to be completed.

The press release is available in the Investor section of the Company's website <https://investor.theitalianseagroup.com/en/press-releases/>.

Conference Call in Webcast

The financial results related to the first semester of 2022 will be presented November 10th, 04:30 PM CET during a Conference Call held by the Company's Top Management.

The Conference Call will be held via webcast through the following link: <https://b1c-co-uk.zoom.us/meeting/register/tZwpfuuvrjgrEtBbdneuNiqTB-8gVMW6C0Lr>

The presentation by the Top Management will be available from the beginning of the conference call on the website investor.theitalianseagroup.com in the "Financial Documents" section.

This document is an English translation from Italian. The Italian original shall prevail in case of difference in interpretation and/or factual errors.

The Italian Sea Group

The Italian Sea Group is a global operator in the luxury yachting industry, listed on Euronext Milan ("EXM") and active in the construction and refit of motoryachts and sailing yachts up to 140 metres. The Company, led by Italian entrepreneur Giovanni Costantino, operates on the market with the brands Admiral, renown for elegant and prestigious yachts, Tecnomar, known for its sporty features, cutting-edge design and high performance, Perini Navi, excellence in the design and construction of large sailing yachts, and Picchiotti, historical brand in the Italian yachting industry featuring classic and elegant lines. The Company also has a business unit named NCA Refit that manages the maintenance and refit services for yachts over 60 metres. In line with its strategic positioning, The Italian Sea Group has partnered with important Italian luxury brands: Giorgio Armani – to develop yachts penned by the designer, highlighting the merger of two excellence Ambassadors of Italian style in fashion and yachting – and Automobili Lamborghini – to design and produce "Tecnomar for Lamborghini 63", a limited-edition motor yacht featuring extraordinary performances and quality beyond limits.

The Italian Sea Group is the first Italian producer of superyachts over 50 metres, according to the 2022 Global Order Book, the global ranking by Boat International.

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