



THE ITALIAN SEA GROUP



PICCHIOTTI
SINCE 1878

ADMIRAL

PERINI NAVI

tecnoMar

NCA

9M 2022 RESULTS

NOVEMBER 10TH, 2022

THE ITALIAN SEA GROUP

The Italian Sea Group at a glance

3

SHIPYARDS
IN ITALY

4

BUSINESS
UNITS

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 (source: Boat International, Global Order Book 2021)



FINANCIALS

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9M 2022 – Highlights

✦ Total Revenues to 210.3 million Euros, growing by +64.6% vs 9M 2021

✦ Significant EBITDA increase to 33 million Euros, growing by +89.7% vs 9M 2021, with an EBITDA Margin equal to 15.7%

✦ Order Book (Shipbuilding and Refit) to 983 million Euros and Net Backlog (Shipbuilding and Refit) to 566 million Euros

✦ Investments to 11 million Euros in the first nine months of 2022, of which 4 million Euros invested in the third quarter of 2022

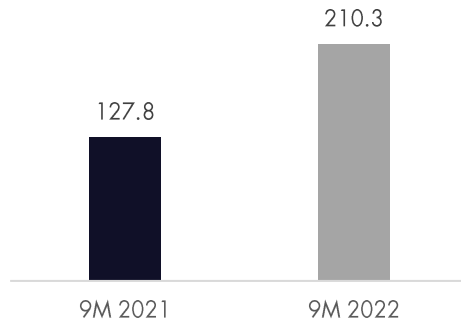


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9M 2022 in numbers (1/2)

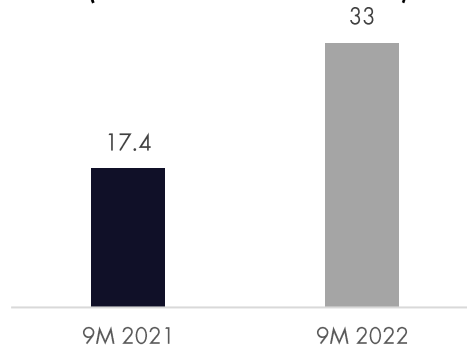
Total Revenues 9M 2022

Eu 210.3 mn
(+64.6% vs 9M 2021)



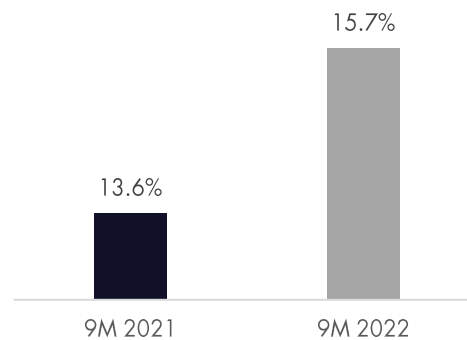
EBITDA 9M 2022

Eu 33 mn
(+89.7% vs 9M 2021)



EBITDA Margin 9M 2022

(+210 bps vs 9M 2021)



Comments

- +64.6% increase in Total Revenues vs 9M 2021, due to the progress of Shipbuilding projects and the increase in Refit activities due to the expansion in production capacity.
- Increase in EBITDA Margin:
 - An optimal mix between Shipbuilding and Refit activities
 - Strict management of fixed costs and control over the respect of budgets for projects in progress
 - Increase in product sale prices, due to renown quality standards and high-end market positioning.

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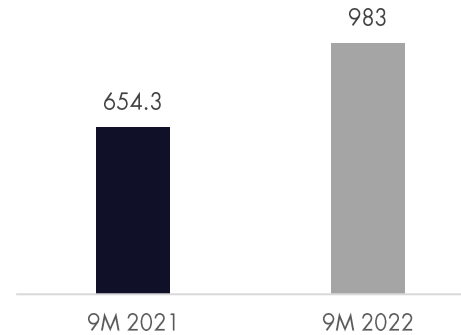
9M 2022 in numbers (2/2)

Comments

- Increase in **Order Book** as at 30 September 2022, with **35 yachts** under construction, including **16 Tecnomar** for **Lamborghini 63**
- **Net Financial Debt** reflecting:
 - - **Eu 75 million** for the **Perini Navi acquisition**
 - - **Eu 11 million** of investments in the first nine months of 2022
 - - **Eu 1 million** Net Working Capital.
- **Investments** for **Eu 11 million** related to the completion of "TISG 4.0" and "TISG 4.1" investment plans and progress of works on the **Viareggio** and **La Spezia** shipyards, as well as the modernisation and energy efficiency of all facilities.

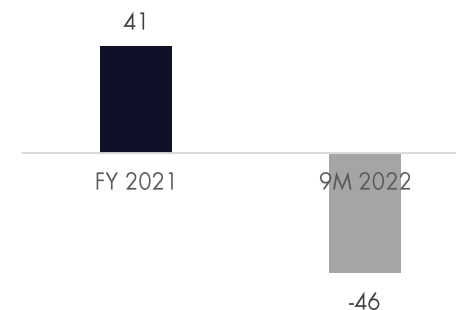
Order Book 9M 2022

Eu 983 mn



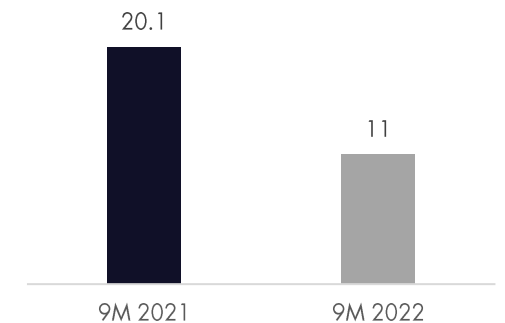
Net Debt¹ 9M 2022

Eu -46 mn



CAPEX 9M 2022

Eu 11 mn



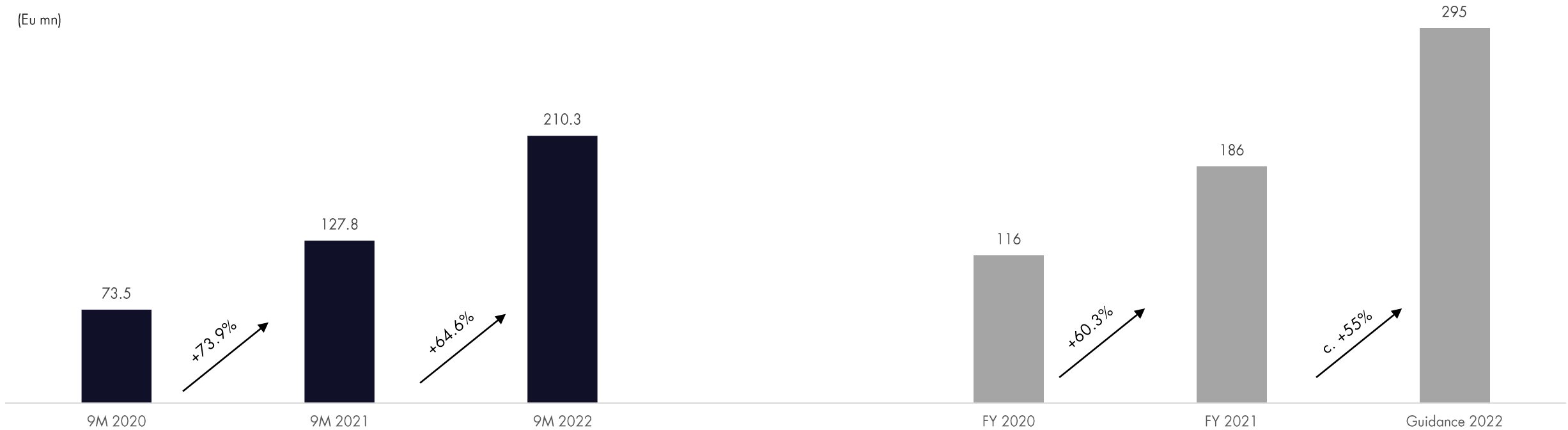
Note: 1) According to IAS/IFRS accounting principles, Net Financial Debt includes the current value of fees due to the Port Authorities for the state concessions of the shipyards in Marina di Carrara, Viareggio and La Spezia, equal to 6.8 million Euros at 30 September 2022, amount which will be paid throughout the duration of the related concessions.

Total Revenues Evolution

Total Revenues

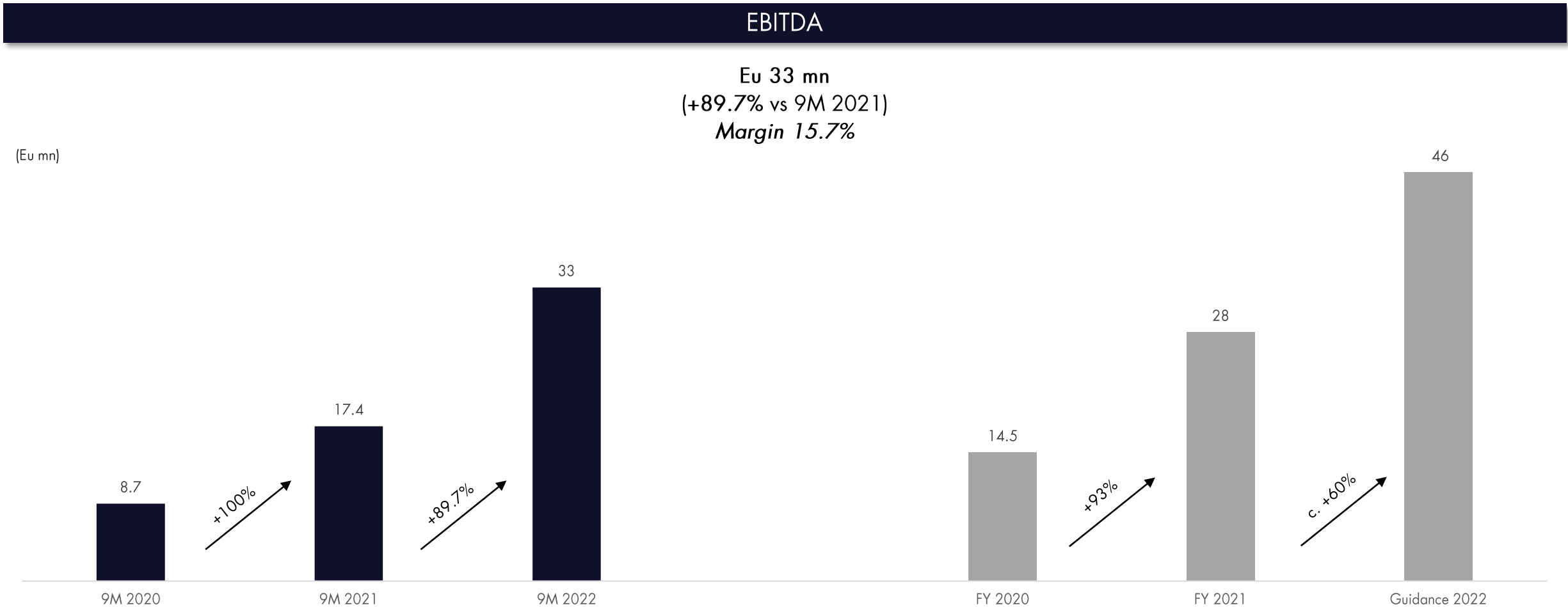
Eu 210.3 mn
(+64.6% vs 9M 2021)

(Eu mn)



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EBITDA Evolution

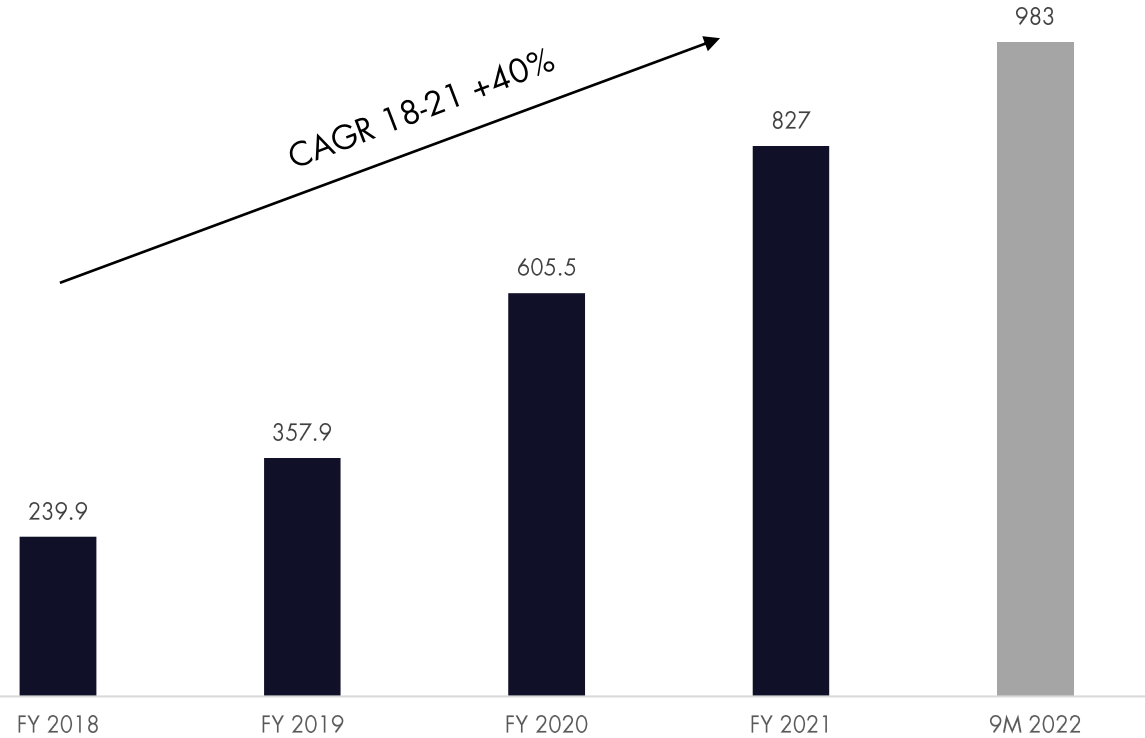


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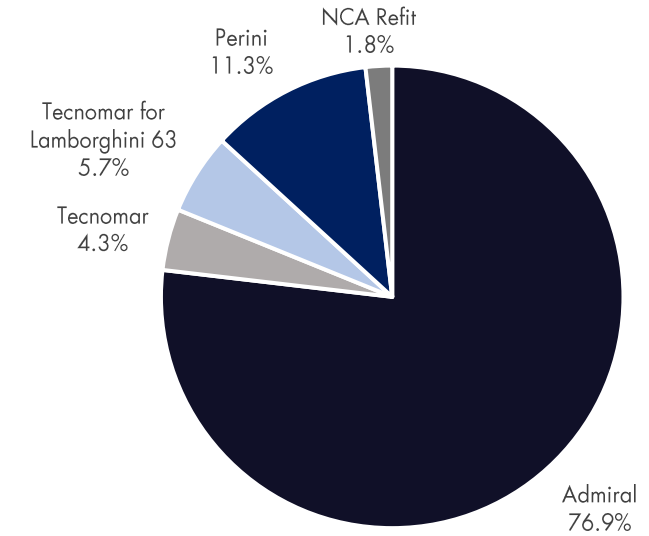
Order Book Evolution

9M 2022 Order Book

(Eu mn)



9M 2022 Order Book – Breakdown by brand



Comments

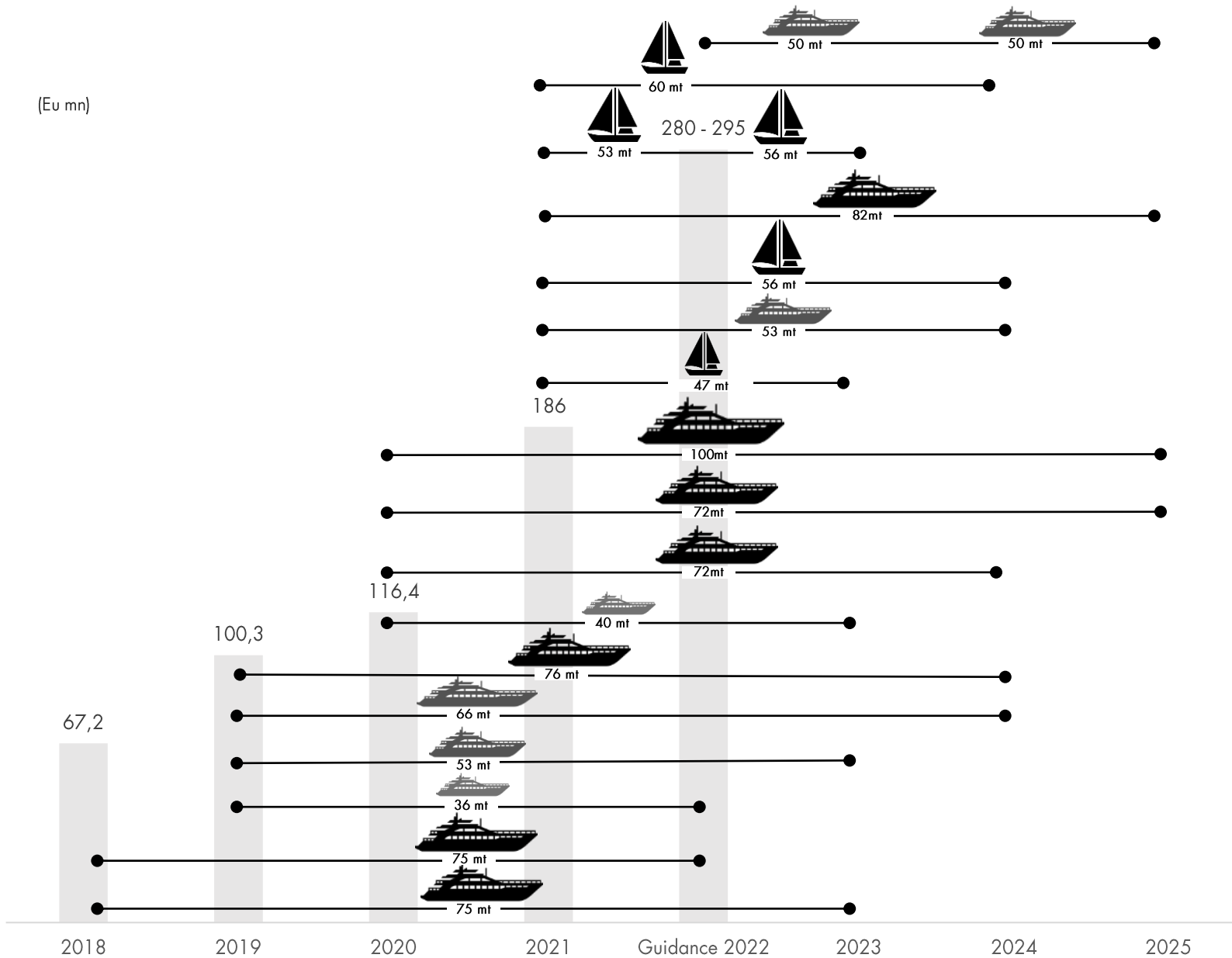
Growth in Order Book with visibility up to 2026:

- 19 mega and giga yachts under construction
- 16 Tecnomar for Lamborghini 63.





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Order Book Evolution – Mega and Giga Yachts

(Eu mn)

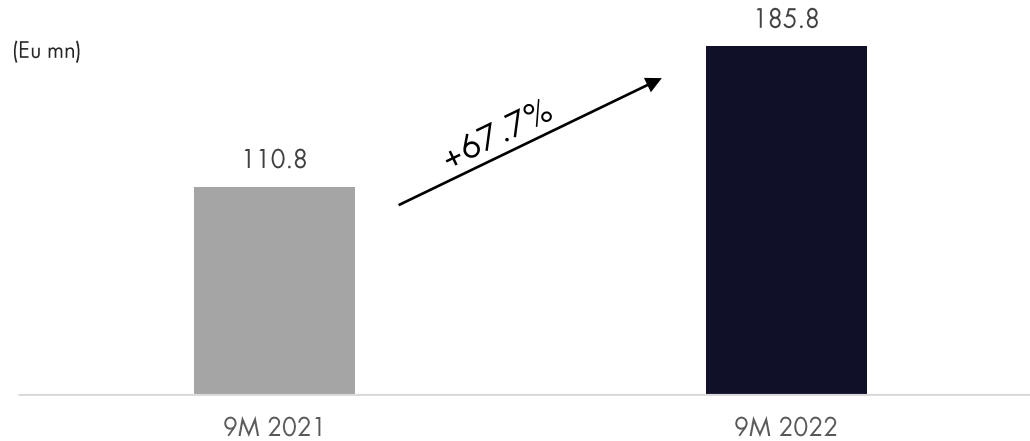


Legend

 30 mt – 50 mt	 50 mt – 70 mt
 >70 mt	 Yacht a Vela Perini Navi

9M 2022 – Shipbuilding

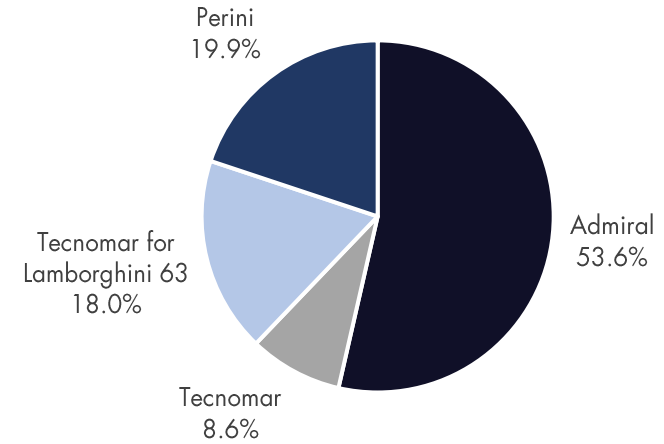
Revenue Evolution – Shipbuilding



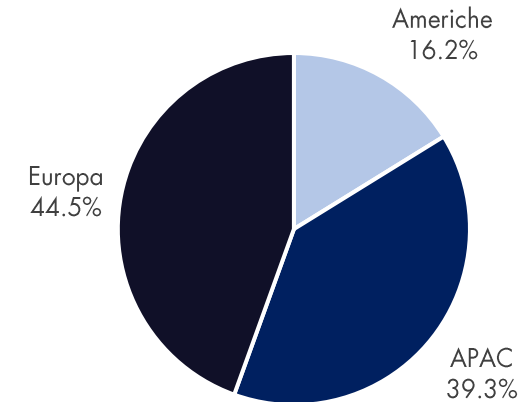
Comments

- Growth in Shipbuilding Revenues driven by:
 - Progress of motor yacht and sailing yacht projects under construction
 - Increase in product sale prices due to recognised quality and high-end market positioning.

Revenue Breakdown by brand - Shipbuilding



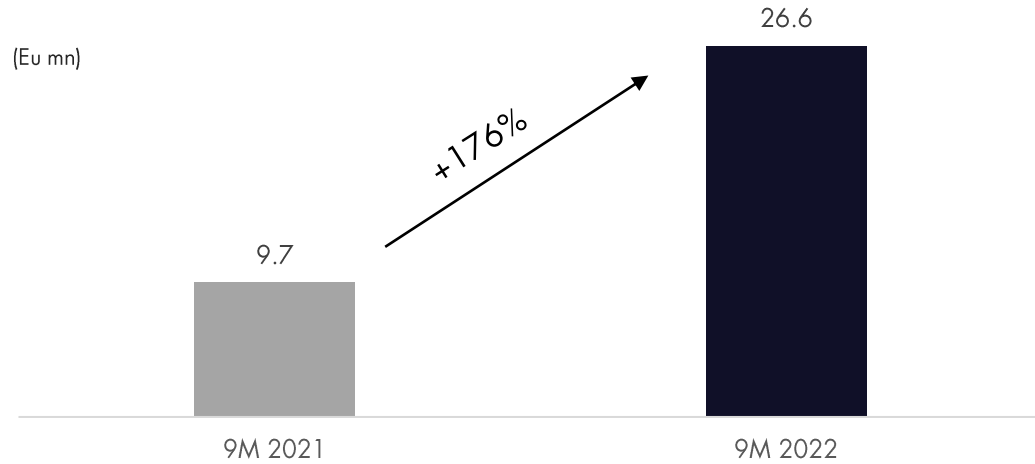
Revenue Breakdown by geography - Shipbuilding



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9M 2022 – Refit

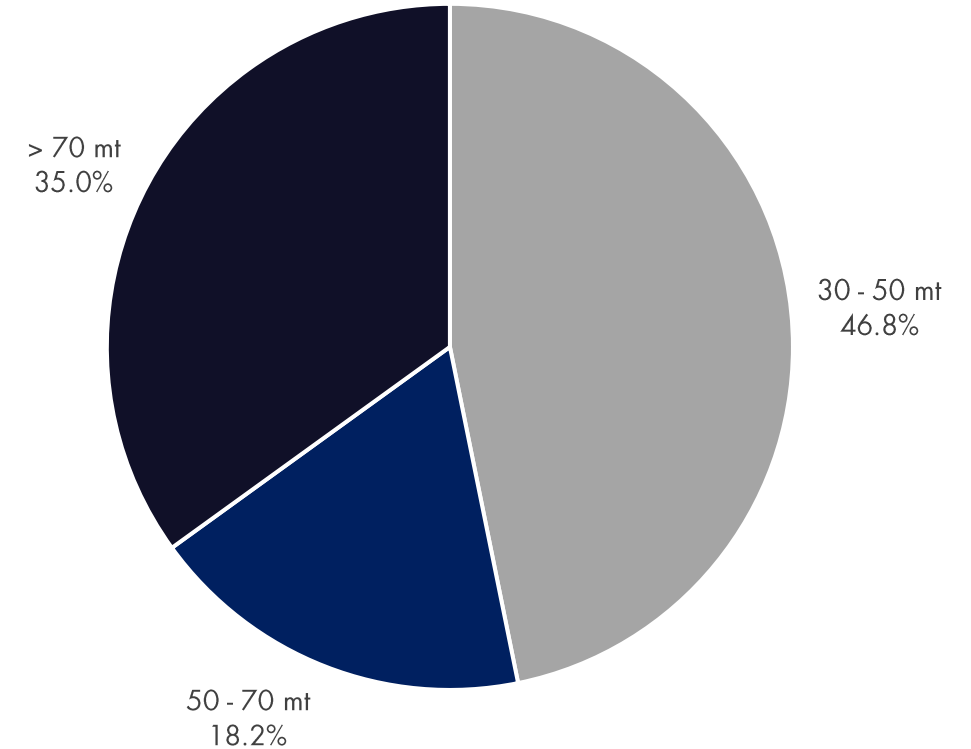
Revenue Evolution - Refit



Comments

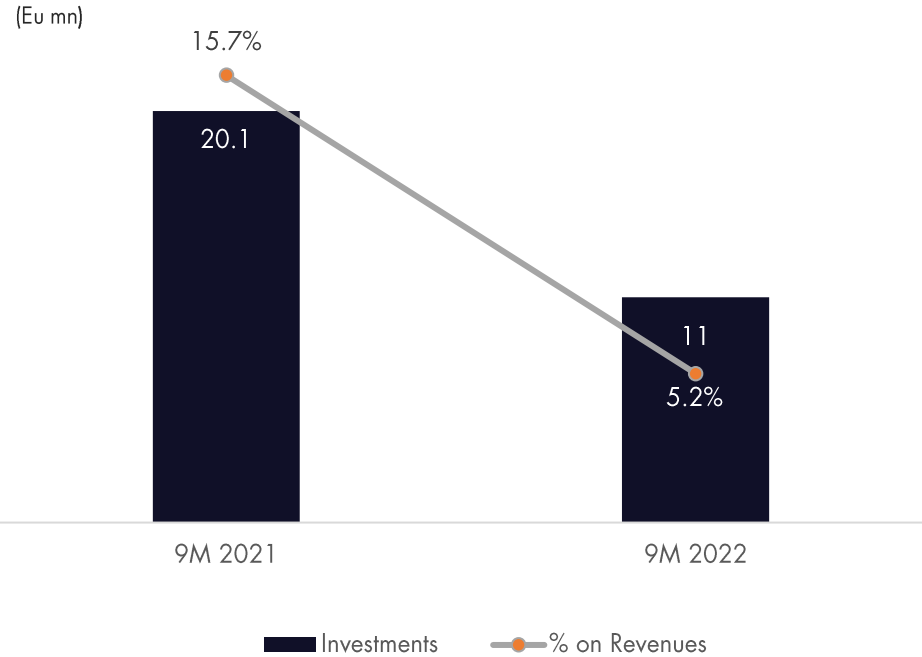
- Growth in Refit revenues driven by:
 - Increase in production capacity through investment plans;
 - Availability of production spaces in the La Spezia and Viareggio Shipyards.

Revenue Breakdown by size - Refit



9M 2022 CAPEX

CAPEX 9M 2022



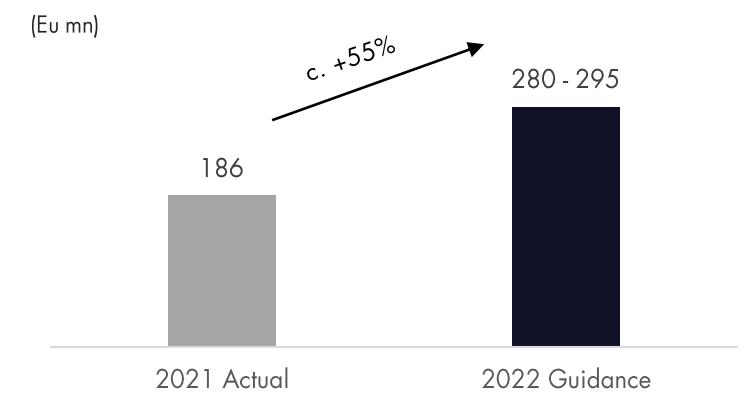
Comments

- **Investments** for Eu 11 mn, related to:
 - Regular progress of activities regarding the "TISG 4.0" and "TISG 4.1" investment plans
 - Fine-tuning of the Viareggio and La Spezia shipyards
 - Energy efficiency and installation of photovoltaic plants in the Marina di Carrara shipyard.

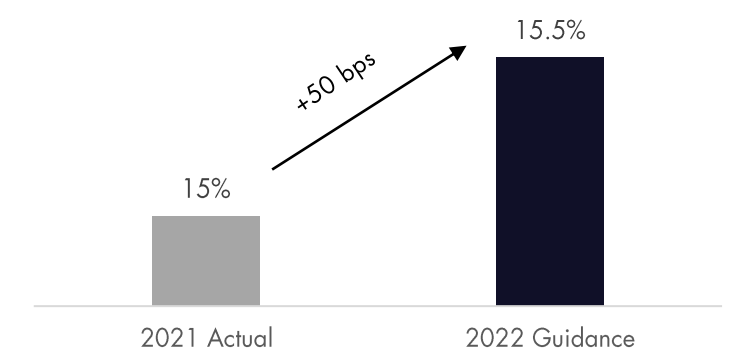
FY 2022 Guidance

- **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;
 - 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 serial production projects Gentleman Picchiotti and Admiral Panorama, always in a perspective of **production on sold yachts** and no risk of inventory.

✦ **Engineering and restyling** of the Perini Navi fleet with a dedicated technical team and collaboration with industry *"archistars"*.

✦ 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**.

✦ ESG – **Energy efficiency** of production sites in Marina di Carrara, Viareggio, and La Spezia through the installation of photovoltaic plants on all sheds.

✦ ESG – **Focus on the growth of young employees**, with the start-up of **"The Italian Sea Group Young Award"** and the reprise of training courses in the TISG Academy.



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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.

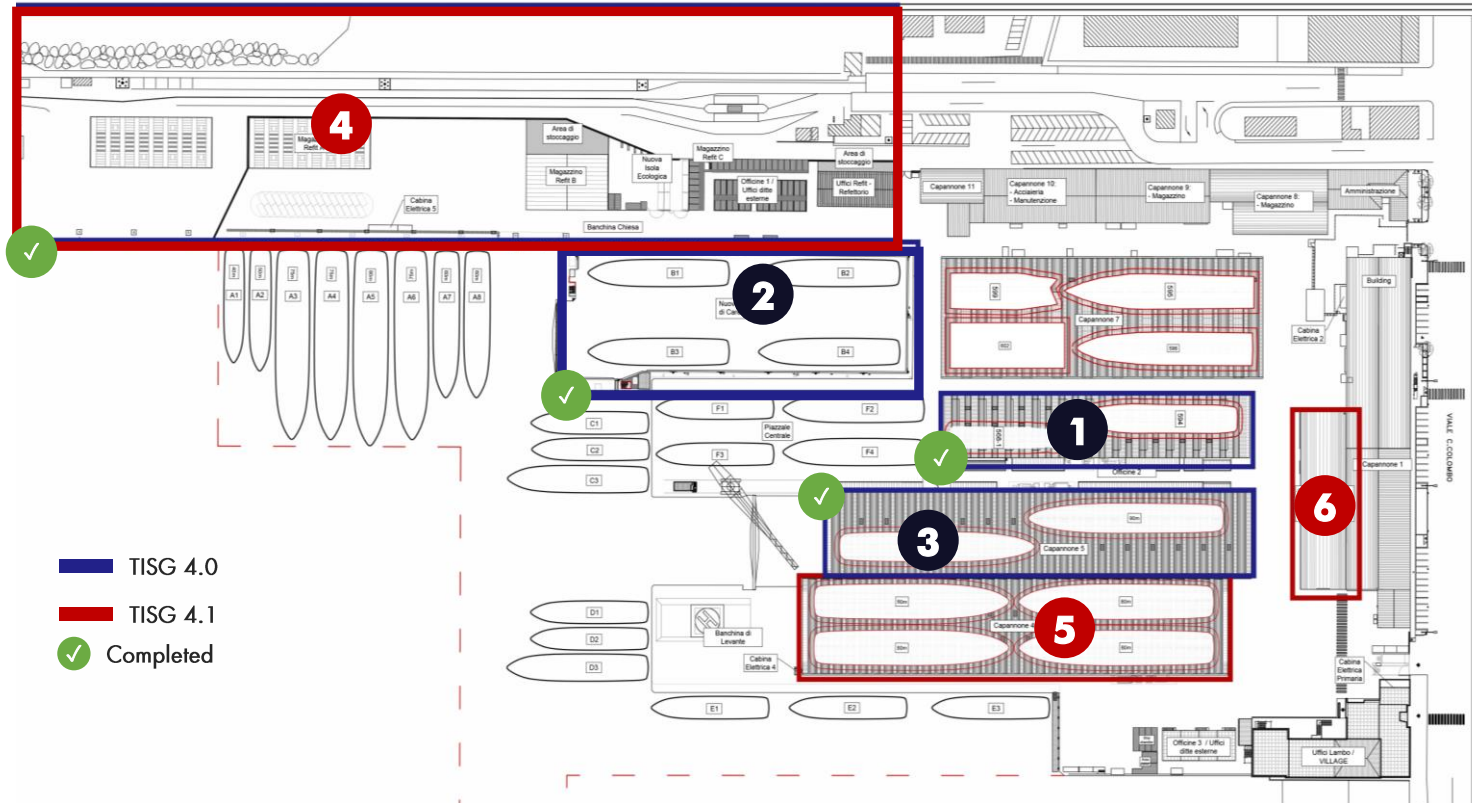
✦ In line with the Company's commercial strategy, production will be started only **after the signing of a sale contract with clients**

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**.

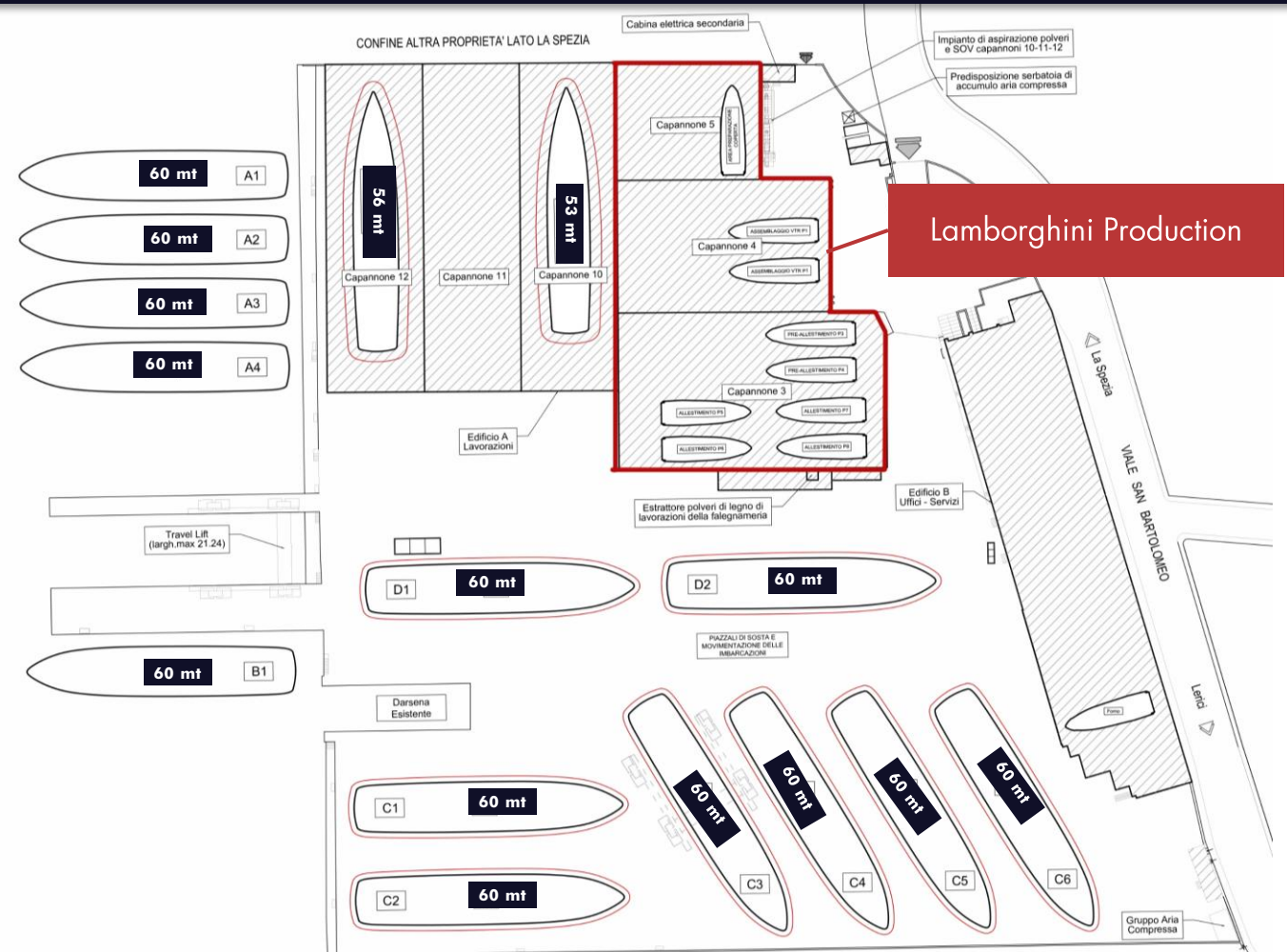
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Perini Navi Acquisition – La Spezia Production Facilities

LA SPEZIA

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

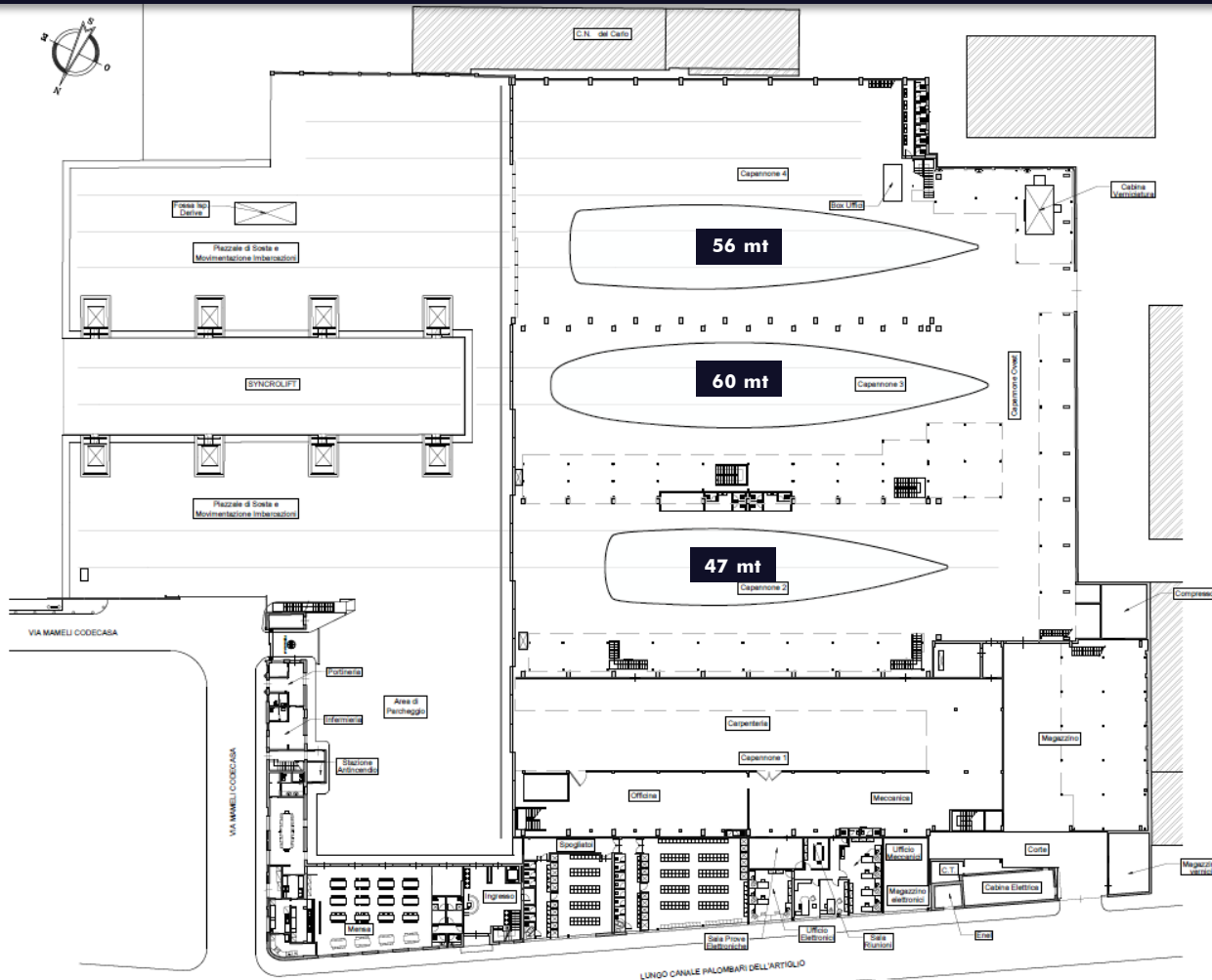
- Production facilities dedicated to refit, with a contemporaneity up to 16 orders of c. 60 mt LOA
- Production facilities dedicated to Tecnomar for Lamborghini 63



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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.



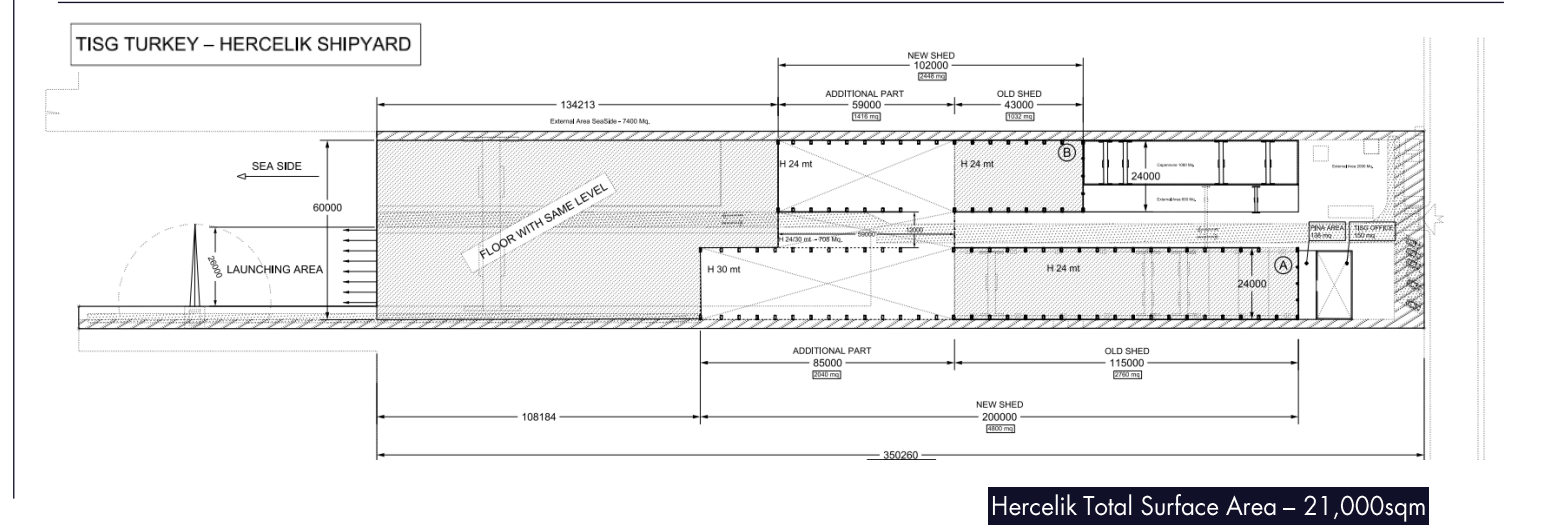
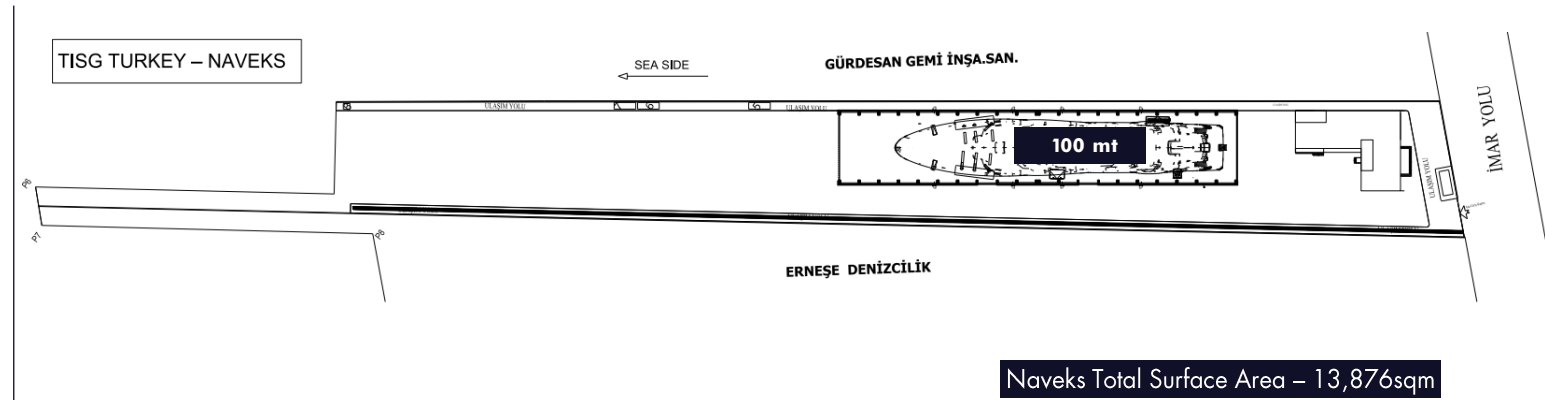
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TISG Turkey Acquisition – Headquarters

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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