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Testo del comunicato

Vedi allegato.

SANLORENZO

SANLORENZO S.P.A.:
THE MANAGEMENT PRESENTS THE 2023-2025 BUSINESS PLAN
APPROVED BY THE BOARD OF DIRECTORS

Sustainability at the heart of the strategy, in a path towards carbon neutrality.

Expansion of production capacity and development of new sustainable high-tech models.

Strengthening in direct distribution, supply chain and service offerings.

THE TARGETS OF THE PLAN

- High single-digit CAGR over the three-year period
- Increase in EBITDA margin equal or greater than 19.5% in 2025
- Investments of €143-155 million over the three-year period, to support organic growth net of any extraordinary transactions
- Net cash position of €185-205 million in 2025

Milan, 15 March 2023 – The management of Sanlorenzo S.p.A. ("**Sanlorenzo**" or the "**Company**") presents the 2023-2025 Business Plan approved by the Board of Directors to the financial community and the press, during the event "Road to 2030: Sanlorenzo's responsible growth" in Milan at Palazzo Mezzanotte (Piazza degli Affari, 6).

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

«Today, Sanlorenzo presents its 2023-2025 Business Plan in light of the extraordinary results of the previous three years, which saw a compound annual growth rate of 17.6%, a doubling of EBITDA, an increase of 310 basis points in the EBITDA margin, net profit almost tripled, over €100 million in cash generation, even with the distribution of dividends for about €31 million.

At the time of listing, we promised "measured growth". We intend to keep the same pace for the next three years, while always delivering better-than-expected results to our shareholders. To support the Plan, we have identified the pillars, summarised in our "Road to 2030", that will see us pioneer in the path towards carbon neutrality, also thanks to the exclusive agreements with the world's leading energy and E-fuels players able to revolutionise the paradigm of the yachting. At the same time, the values of our business model, whose effectiveness and resilience are proven, will remain firmly present. We confirm our focus on constantly improving margins and progressively increasing cash flow, which will allow us to seize the opportunities that the market will present, in strict coherence with our positioning.

We are well aware that expectations are very high and we will therefore spend all our energy to continue to reward the trust that our shareholders and all stakeholders have placed in our project.»

INTRODUCTION TO THE PLAN

Global economic development in the coming years will be increasingly affected by **targets to limit social and environmental impacts**, in line with the goals of the UN 2030 Agenda and the EU Green Deal. Although shipping accounts for only 1.7% of total GHG emissions, of which only a marginal 0.22% can be attributed to yachting, sustainability is therefore no longer an option. In July 2023, for example, the Maritime Environmental Protection Committee (MEPC) is expected to decide to bring forward 100% decarbonisation of shipping by 2050.

In this context, **the target segment of the yachting market is expected to grow steadily**. The number of Ultra High Net Worth Individuals, with available liquidity of at least \$50 million, is expected to reach 385,000 in 2026, with an annual increase of 24,000. At the same time, the supply of yachts over 24 metres will grow at a lower annual rate, reaching 1,203 units by 2023¹. This dynamic will lead to a reduction of the yachting penetration rate towards Ultra High Net Worth Individuals from the already low 3.0% to 2.5%, thus further increasing the high potential.

Finally, as a phenomenon of significant impact, the **lowering of the average age of Sanlorenzo superyacht buyers** from 56 to 48 years old in just two years should be noted, with a twofold positive result: the enlargement of the client base and the sensitivity of new young clients who demand – and are willing to pay for – sustainable solutions.

Backlog² as of 31 December 2022, cleared from Net Revenues New Yachts recorded during the year, amounted to **€1,069.6 million**, compared to €915.6 million as of 31 December 2021, **93% sold to final clients**.

Even before the beginning of the year, the amount of backlog referred to 2023, equal to €617.4 million, allows an extremely high cover of the expected revenues in the current year (75.3% calculated on the 2023 guidance).

The **visibility on revenues related to subsequent years**, with orders for €452.2 million beyond 2023, reaches the highest level ever.

On this basis, the management drew up the 2023-2025 Business Plan.

THE 2023-2025 BUSINESS PLAN: THE PILLARS OF THE “QUIET LUXURY” OF SANLORENZO

1. SUSTAINABILITY AND TECHNOLOGY, FOR A NEW PARADIGM IN YACHTING

The first pillar of the Plan concerns the development of innovative technologies for **carbon neutral power generation**. In this field we are moving forward through collaboration agreements with the world's leading energy and E-fuels players, agreements that will revolutionise the entire nautical industry.

The route mapped out in the “Road to 2030” strategy will lead us to launch in **2024 the first 50Steel equipped with methanol fuel cells** to power all on-board services, and then, in **2028**, to the launch of the **first superyacht 50Steel powered solely by methanol**, the ultimate goal for Sanlorenzo and a true response to the nautical sector's demand for carbon-neutral on-board power generation.

Indeed, the generation of the power necessary for sailing at maximum speed will no longer be tied to the use of diesel engines powered by fossil fuels, but will be based on a combination of fuel cells and internal combustion engines powered by green methanol. In parallel, in the <24m segment, two **revolutionary Bluegame projects based on the use of hydrogen** are advancing: the BGH tender, chosen by the New York Yacht Club as the “chase boat” to accompany American Magic during the 37th America's Cup to be held in Barcelona in 2024, and the subsequent BGM65HH (hydrogen-hybrid). BGH, to be launch in June 2023, is the ultimate expression of sustainable technology: the 10-meter yacht will reach the speed of 50 knots and a range of 180 miles **at zero emissions**, being driven exclusively by **hydrogen fuel cells, combined with foils**. The same ones that will be installed in the BGM65HH

¹ Global Order Book 2023, Boat International, December 2022.

² 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 backlog refers to the relative share of the residual value from 1 January of the financial year in question until the delivery date. Backlog relating to yachts delivered during the financial year is conventionally cleared on 31 December.

multihull combined with the new generation of **Volvo Penta hybrid engines**, at an advanced stage of design, for which Sanlorenzo was chosen as pilot shipyard.

2. DEVELOPMENT OF NEW MODELS

The intense activity of the R&D department finds concrete application in the design of the new models, which express the maximum possible technological innovation, while remaining faithful to the strategy defined almost ten years ago: **innovation within tradition**, with the constant search for balance between the drive to introduce new ideas and consistency with the brand's history. Starting from the timeless design that made Sanlorenzo yachts iconic.

The Plan envisages the introduction of new ranges with the entry in different segments, such as the multihull, and at the same time an enrichment of those in the portfolio, increasing the number of models **from the current 26 to 36**, of which **17 in the Yacht Business Unit**, **8 in the Superyacht Business Unit** and **11 Bluegame**.

3. HIGH VALUE SERVICE OFFERINGS TO CUSTOMERS

Offering high value-added services to customers represents a **strong competitive advantage** for Sanlorenzo's **value proposition**, increasing **customer loyalty** and strengthening the **brand's positioning** at the very top of the luxury segment.

The Plan envisages the strengthening of a premium package including: the **Sanlorenzo Charter Fleet**, the world's first mono-brand charter fleet; the **Sanlorenzo Academy** for crew training; targeted forms of **leasing/financing** and **insurance**; maintenance and **refitting and restyling** services.

Refitting represents a high-potential upside of the Plan, considering that the worldwide fleet of yachts >30m is steadily increasing (amounting to 5,396 units in 2021) and **the refitting market is expected to grow further, as it did from 2017 to 2021 with CAGR +16.4% for >40m yachts**.

4. DIRECT GLOBAL COVERAGE STRATEGY

One of the founding elements of the Sanlorenzo business model is represented by the distribution strategy that provides for direct presence in key strategic markets.

The Plan envisages the implementation of this strategy, with the opening of single-brand offices, in addition to those already existing in the Americas and the Balearic Islands, in EMEA (Monaco and Côte d'Azur) and APAC. For the latter market in particular, **the acquisition of Simpson Marine**, a network of 12 showrooms and 10 service centres covering the entire Far East, is **expected by the first half of 2023**.

5. INCREASE IN PRODUCTION CAPACITY AND ACQUISITIONS OF STRATEGIC SUPPLY CHAIN PLAYERS

The current production capacity of Sanlorenzo is equal to 100,000 square metres, 79% of which is currently utilised. The Plan envisages to **expand capacity by 25%** by 2025, taking utilisation to around 85%.

For a possible upside of 20% of the production capacity, the necessary areas are already available to the Company. Furthermore, the investment strategy aimed at **vertical supply chain integration** with partnerships and minority stakes in strategic suppliers will continue.

TARGETS

For the three-year period 2023-2025, the Company expects to see a **high single-digit CAGR**, starting with a forecast for 2023 between €810-830 million, up by 11% from 2022.

The Group's margin is expected to increase significantly and progressively, with an **EBITDA margin equal to or greater than 19.5% in 2025**, compared to 17.6% in 2022. The forecast of the **net financial position is between €185 million and €205 million**, with cash generation of over €100 million.

The Plan will be supported by investments focused mainly on the research and development of new high-tech models and the increase of production capacity. **Investments of €143-155 million are planned over the three-year period.**

(€ million and margin in % of Net Revenues New Yachts)	2019	2020	2021	2022	2023	2025
	Actual	Actual	Actual	Actual	Guidance	Outlook ³
Net Revenues New Yachts	455.9	457.7	585.9	740.7	810-830	High single-digit
YoY growth %		+0.4%	+28.0%	+26.4%	+11%	Revenues CAGR '23-'25
EBITDA ⁴	66.0	70.6	95.5	130.2	150-155	
YoY growth %		+7.0%	+35.3%	+36.3%	+17%	
EBITDA margin ⁴	14.5%	15.4%	16.3%	17.6%	18.5%-18.7%	≥19.5%
YoY growth %		+0.9%	+0.9%	+1.3%	+1.0%	
Group net profit	27.0	34.5	51.0	74.2	84-86	
YoY growth %		+27.7%	+47.8%	+45.5%	+15%	
Investments	51.4	30.8	49.2	50.0	48-50	95-105
YoY growth %		-40.1%	+59.7%	+1.6%	-2%	Cumulated '24-'25
Net financial position	(9.1)	3.8	39.0	100.3	118-128	185-205
Cash generation		+12.9	+35.2	+61.3	+18-28	100+ cash generation

Finally, the Plan envisages a dividend pay-out of 30-40%, excluding relevant extraordinary investments and M&A.

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On 15 March 2023 at 3:00PM CET, the management of Sanlorenzo will present the 2023-2025 Business Plan approved by the Board of Directors to the financial community and the press, during the event "Road to 2030: Sanlorenzo's responsible growth" to be held in Milan at Palazzo Mezzanotte (Piazza degli Affari, 6).

The event can be attended live by registering to one of the following links:

<https://www.sanlorenzoyacht.com/uk/investors/investors.asp>

https://channel.royalcast.com/landingpage/sanlorenzoyacht-en/20230315_1/

Questions can be made only via the following phone lines, using the **password** "sanlorenzo":

USA Local: +1 786 697 3501

USA Toll Free: 866 580 3963

Paris Paris: +33 (0) 1 7037 7166

Rome Rome: +39 06 83360400

³ Annual growth is calculated on the average of the guidance interval.

⁴ The figures from 2019 to 2022 refer to Adjusted EBITDA; the figures from 2023 to 2025 refer to reported EBITDA, which deferred from Adjusted EBITDA for less than 0.5%.

Italy Toll Free: 800 986 477

UK-Wide: +44 (0) 33 0551 0200

Geneva: +41 (0) 22 592 7915

The supporting documentation will be published in the "Investors" section of the Company's website (www.sanlorenzoyacht.com) before the event.

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This document contains forward-looking statements relating to future events and operating, economic and financial results of the Sanlorenzo Group. These forecasts entail, by nature, a component of risk and uncertainty, as they depend on the occurrence of future events and developments. Actual results may deviate even significantly from those announced, depending on a variety of factors.

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Sanlorenzo S.p.A.

Sanlorenzo is a leading global brand in the luxury yachting which builds "made-to-measure" yachts and superyachts customised for each client, characterised by a distinctive and timeless design.

Founded in 1958 in Limite Sull'Arno (FI), the cradle of Italian shipbuilding, Sanlorenzo has excelled in carving out a clear identity and a high-end brand positioning over time. In 1974, Giovanni Jannetti acquired the company and created Sanlorenzo legend, producing every year a limited number of yachts characterised by a unique, highly recognizable style, comfort, safety and focusing on a sophisticated customer base. In 2005, Massimo Perotti, Executive Chairman, acquired the majority of Sanlorenzo, guiding its growth and development on international markets, while preserving the heritage of the brand.

Today, manufacturing activities are carried out in four shipyards in La Spezia, Ameglia (SP), Viareggio (LU) and Massa, synergistically and strategically located within a 50 kilometres radius, in the heart of the nautical district.

The production is articulated into three business units: Yacht Division (composite 24-38 metres yachts); Superyacht Division (40-73 metres aluminium and steel superyachts); Bluegame Division (13-23 metres sports utility yachts in composite). Through the High-End Services Division, Sanlorenzo offers an exclusive range of services dedicated to its clients.

The Group employs over 700 people and cooperates with a network of thousands of qualified artisan companies. In addition, the Group leverages on an international distribution network, a widespread service network for customers worldwide, close collaborations with world-renowned architects and designers and a strong liaison with art and culture.

In 2022, the Group generated net revenues from the sale of new yachts of €740.7 million, adjusted EBITDA of €130.2 million and a Group net profit of €74.2 million.

www.sanlorenzoyacht.com

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