



UNICREDIT
ITALIAN INVESTMENT CONFERENCE 2023
23 MAY 2023

THE ITALIAN SEA GROUP

PICCHIOTTI
SINCE 1878

C E L I
1970

ADMIRAL

PERINI NAVI

TECNOMAR

NCA REFIT

The Italian Sea Group at a Glance

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. TISG was listed in the Milan Stock Exchange in June 2021.

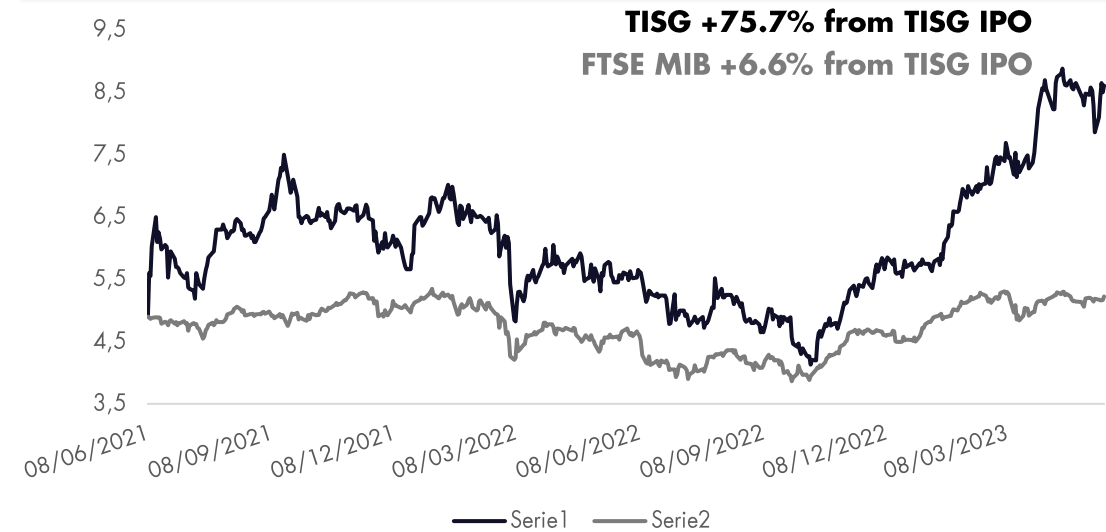
BRANDS

	ADMIRAL Customised motor-yachts above 50mt.
	TECNOMAR Speedy motor-yachts from 37mt to 50mt.
	PERINI NAVI Large sailing yachts from 47mt.
	PICCHIOTTI Gentleman Yachts from 24mt to 55mt.
	NCA REFIT Refit and maintenance of motor and sailing yachts, with a focus on yachts over 60mt.
	CELI Historical woodworking and furniture company, with expertise in yachting and real estate.

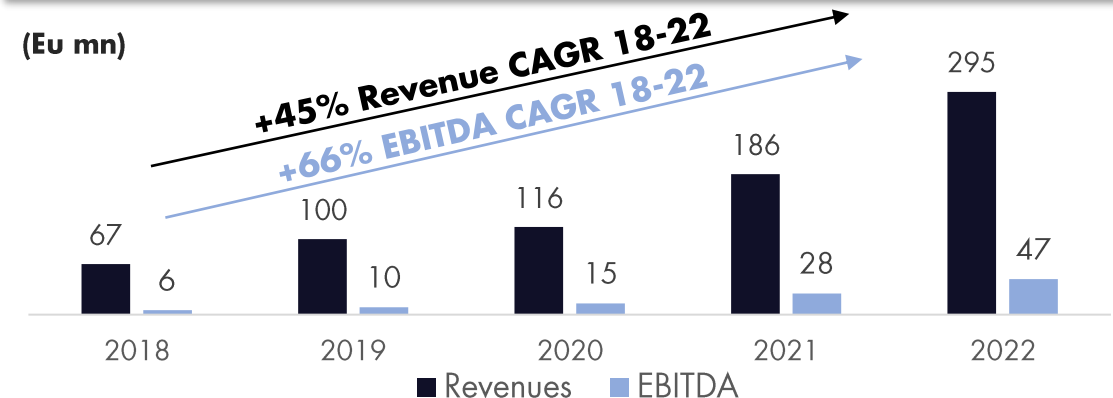
PARTNERSHIPS

	Limited edition speedy motor-yachts inspired by the Lamborghini Siàn FKP 37 .
	Motor-yachts designed in collaboration with designer Giorgio Armani .

STOCK PERFORMANCE FROM IPO (8 JUNE 2021)



REVENUE AND EBITDA EVOLUTION



Note: 1) Ranking base on 2022 yacht sales (source: Boat International, Global Order Book 2022).

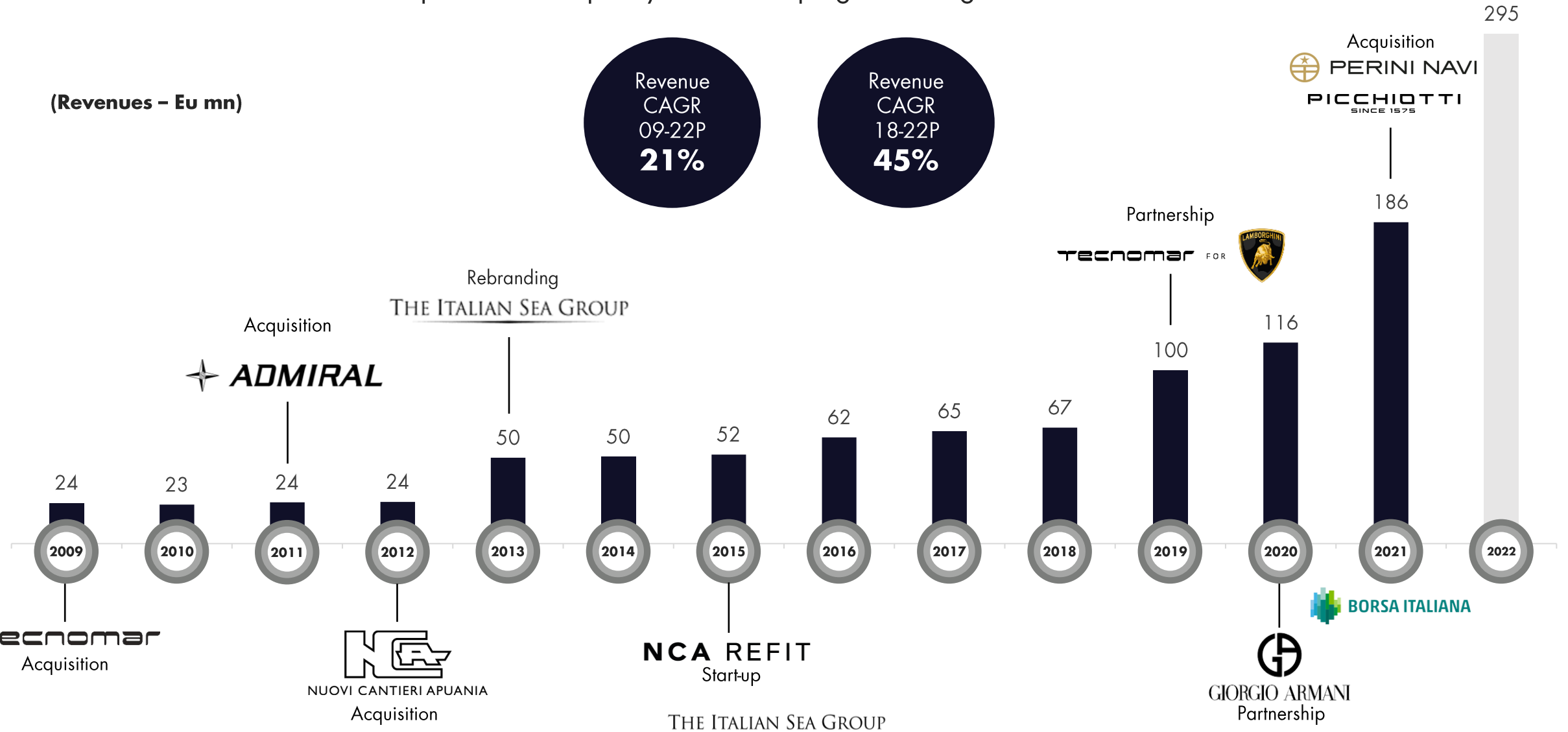
Success Story since 2009

TISG's history has been characterised by a strong focus on growth, leveraging on product quality, strategic investments on production capacity and revamping of heritage Italian brands.

(Revenues - Eu mn)

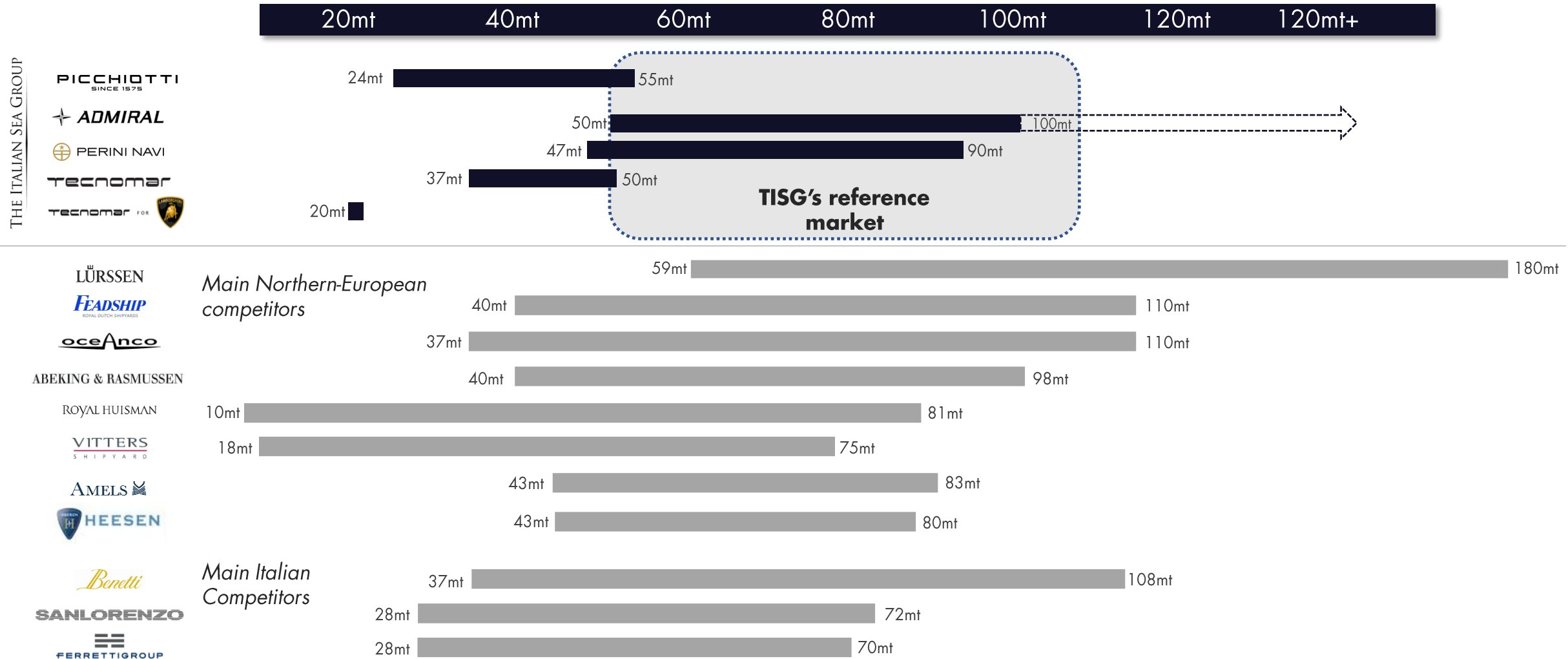
Revenue
CAGR
09-22P
21%

Revenue
CAGR
18-22P
45%



Key Player in Luxury Yachting

Complete and differentiated product offering, with focus on custom-made yachts over 50mt, positioned on the highest segment of the market also in virtue of its distinctive and renowned partnerships.



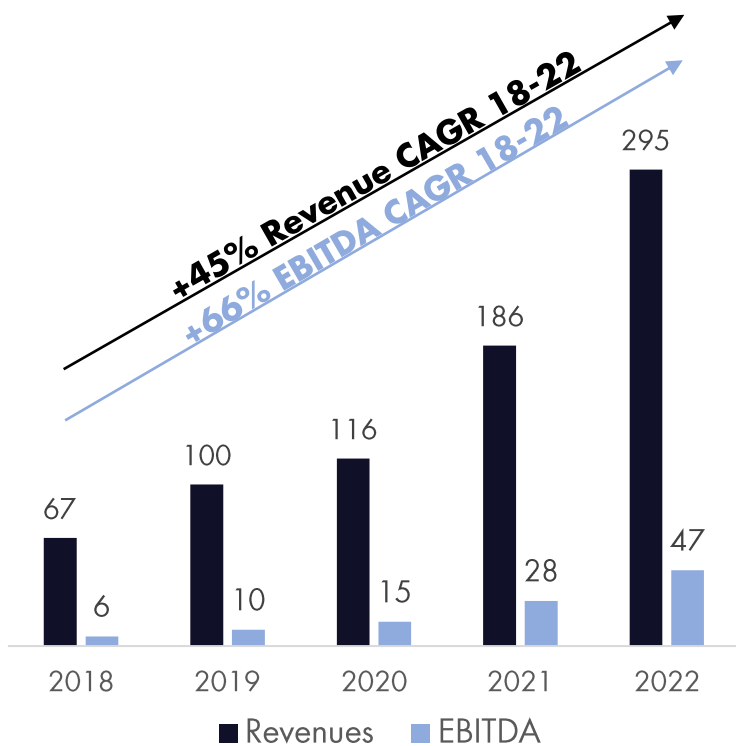
Strong Financial Performance

The Italian Sea Group boasts an impressive financial track record in terms of growth, profitability and cash flow generation.

The Company has a “Make-to-Order” commercial strategy and does not allow trade-ins, minimising risk of inventory and risks deriving from sale of used boats.

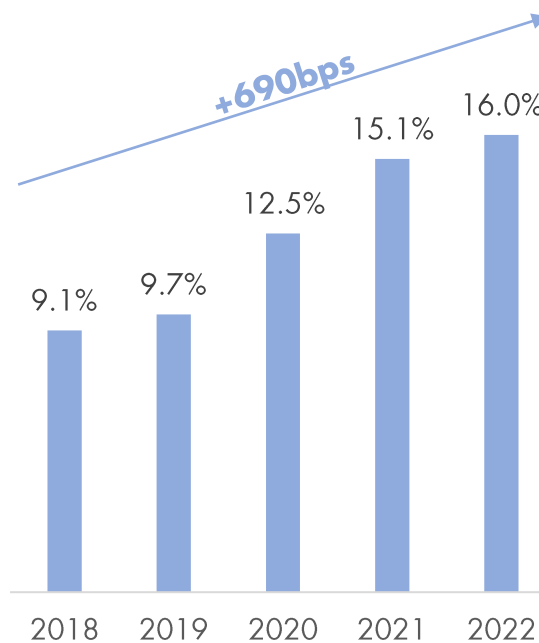
GROWTH

Revenues & EBITDA (Eu mn)



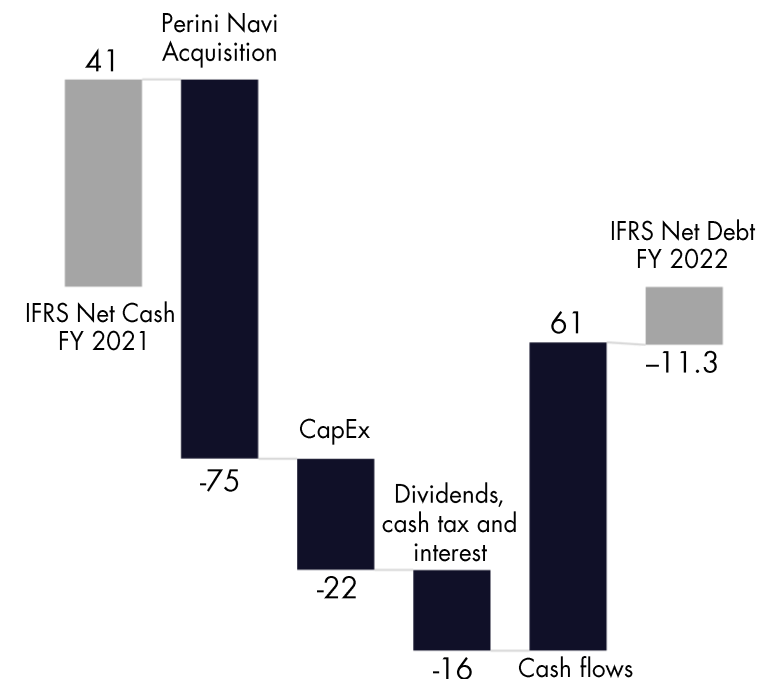
PROFITABILITY

EBITDA margin



CASH GENERATION

IFRS Net Debt Evolution (Eu mn)



Growth Potential from Perini Navi Acquisition

Perini Navi is the iconic sailing yacht brand, known for its luxurious and innovative characteristics. The Perini Navi acquisition has allowed for an increase of production capacity and the integration of two iconic brands to TISG's product offering.

GROWTH POTENTIAL FROM BRANDS

Perini Navi and Picchiotti are internationally renowned brands which are expected to boost The Italian Sea Group's growth prospects in the medium term by entering into adjacent and attractive market segments.



Iconic luxury sailing yacht brand, characterized by high performance, innovation and elegance. The acquisition has allowed TISG to consolidate its positioning in the sailing yacht market with a best-known brand.

Perini Navi currently represents c. **14% of TISG's Order Book 2022.**

PICCHIOTTI
SINCE 1575

Founded in Limite sull'Arno in 1575, Picchiotti is a heritage brand for the yachting industry.

Through the brand, TISG produces **semi-custom yachts** with a classical and timeless style, true **Gentleman's Yachts** reminiscent of the iconic American fleet in the 60s.

PRODUCTION CAPACITY & SYNERGIES

Perini's acquisition also contributed outstanding shipyards in **La Spezia** and **Viareggio** which provide much needed manufacturing and refit capacity and skills, in fact c. 50% of the **Eu 80mn** price reflects real estate assets.



The **La Spezia** shipyard is equipped with impressive infrastructures, and is ideal for refit activities, c. 50% of the Perini fleet has already undergone refit works with NCA Refit.

The shipyard will also host the production of the Tecnomar for Lamborghini 63.



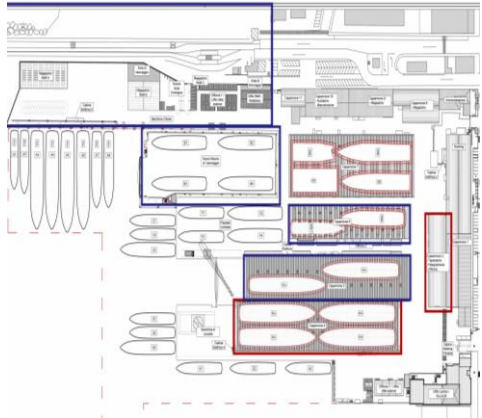
Perini Navi production is located in the **Viareggio shipyard.**

The recruitment of former Perini employees will foster the creation of an internal culture in the construction and refit of sailing yacht projects.

Production Capacity and State-of-the-Art facilities

The Italian Sea Group invested Eu 68mn in its shipyards since 2018, reaching a high-quality production capacity.

MARINA DI CARRARA

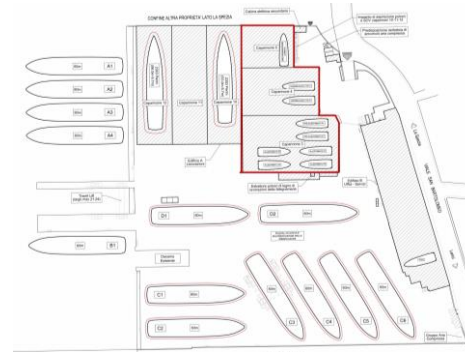


The Marina di Carrara shipyard is the home of the Admiral and Tecnomar brands, and covers a total surface of 120.000 sqm.

The shipyard can contemporarily manage up to 12 production projects: 6 between 75-80mt, 4 between 40-70mt, and 2 of approx. 90mt (or one yacht > 100mt).

Additionally, the shipyard can also manage 25 refit projects up to 140mt.

LA SPEZIA

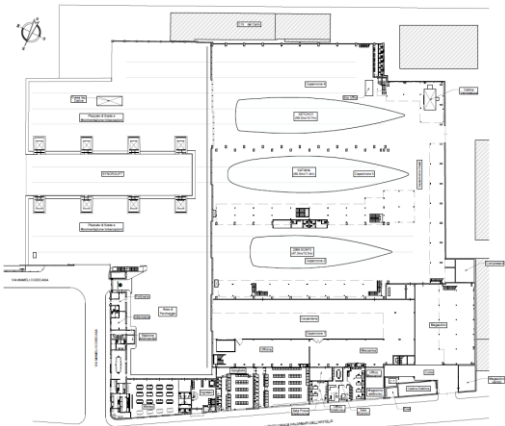


The La Spezia shipyard covers a total surface of 30.000 sqm.

The shipyard can contemporarily manage 3 production projects up to 60mt, and approx. 12 annual deliveries of the Tecnomar for Lamborghini 63.

Additionally, the shipyard can also manage 14 refit projects up to 60mt.

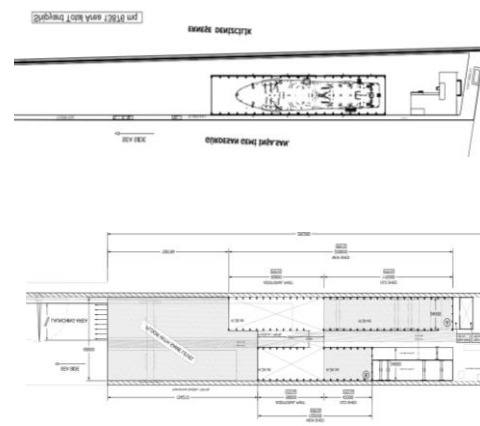
VIAREGGIO



The Viareggio shipyard is the home of Perini Navi, and covers a total surface of 18.000 sqm.

The shipyard can contemporarily manage up to 3 projects for sailing yachts up to 60mt in length.

TISG TURKEY



TISG operates with a network of partners in Turkey, focused on the production of the frame and structure of yachts, which are subsequently towed to Italy for outfitting.

The **Hercelik** and **Naveks** shipyards, cover a total surface of 21.000 and 13.000 sqm, respectively, and can contemporarily manage 6 production projects. TISG operates on 5 shipyards in the Yalova and Antalya areas, which in their totality cover 70.000 sqm.

First Quarter Highlights



ADMIRAL / ARMANI 72 UNVEIL

February 11th, 2023

An event involving owners, brokers, authorities, celebrities, and press, where Mr. Giovanni Costantino, Founder & CEO of The Italian Sea Group, mapped out the course for the future of Italian yachting, explaining the crucial moments of TISG's success story, its excellences and the objectives for its brands.

A laser mapping show unveiled the mega yacht and left the stage to Giorgio Armani's Spring/Summer 2023 collection, ending with a traditional greeting from the designer.



LAUNCH OF THE NEW PERINI NAVI FLEET: "GENESIS"

March 15th, 2023

In March 2023, TISG presented the new Perini Navi fleet, having the objective to create a line of vessels with the characteristic and iconic Perini Navi elements revised in a modern fashion, aiming for large spaces, brightness, and comfort during sailing. There three lines of vessels of 48, 56, and 77 metres.

The fleet, called «Genesis», attests Perini Navi's ultra-high-level positioning as global player for large sailing yachts.

WSA Motor Yacht of the Year – M/Y Admiral Kensho



M/Y Admiral Kensho (75mt) has been named **“Motor-yacht of the year”** and has won in the **“Displacement Motor-Yachts 1’500GT and Above”** category at the renown **2023 World Superyacht Awards by Boat International**.

The project’s technical challenges have been faced with functional and, at the same time, elegant solutions, which have redefined the boundaries of space, distribution, and luxury, projecting the Owner’s personal vision towards a new concept of the sailing experience.

Coherent with The Italian Sea Group’s values, always mindful of sustainability, Admiral Kensho is equipped with an innovative **diesel-electric propulsion system**, with permanent magnet electrical engines which grant high efficiency and power. The propulsion system has five variable speed generators, all with diesel particulate filters (DPF) to optimise consumption at all speeds and reduce emissions.

The design has been developed paying particular attention to the environment, in compliance with the voluntary “ECO” notation of the Class Entity.

M/Y KENSHO – AWARDS



WINNER

Best Interior Design
Motor Yachts
500GT and Above



WINNER

Displacement Motor
Yachts 1’500GT and
Above



WINNER

Motor-Yacht
of the Year



STRATEGY HIGHLIGHTS

Commercial Approach & Contract Structure

TISG's commercial approach and contract structure aim at limiting risks with respect to inventory, achieve favourable working capital, and lock in expected margins.

ORDER-BASED APPROACH & BEST-IN-CLASS CONTROL SYSTEMS

- No speculative production
- Trade-ins are not accepted
- No penalties for delays or quality remarks
- No litigations with clients

**No risk of
unsold
inventory nor
write-offs**

FAVOURABLE ADVANCE-PAYMENTS CONTRACT STRUCTURE

ORDER TYPE	ADVANCE PAYMENTS (% OF PURCHASE PRICE)									
	<i>Payment of 11/12 milestones, each worth c.10% of purchase price</i>									
From 30 to over 50 mt LOA	Sale contract signature	Instalment #1	Instalment #2	Instalment #3	Instalment #4	Instalment #5	Instalment #6	Instalment #7	Instalment #8	Delivery
Tecnomar for Lamborghini 63	Downpayment 20%	Mid Payment 30%			Mid Payment 30%			Delivery 20%		

**Favourable
working
capital
management**

CAREFUL COST MANAGEMENT

- Approx. **75-80%** of direct costs (raw materials, engine, external suppliers, etc.) are **contractualised at contract signature**.
- The remaining **20-25%** are kept as Variations to Contract, and may lead to a revision of the pricing.

**Lock-in of
profitability
from order to
completion**

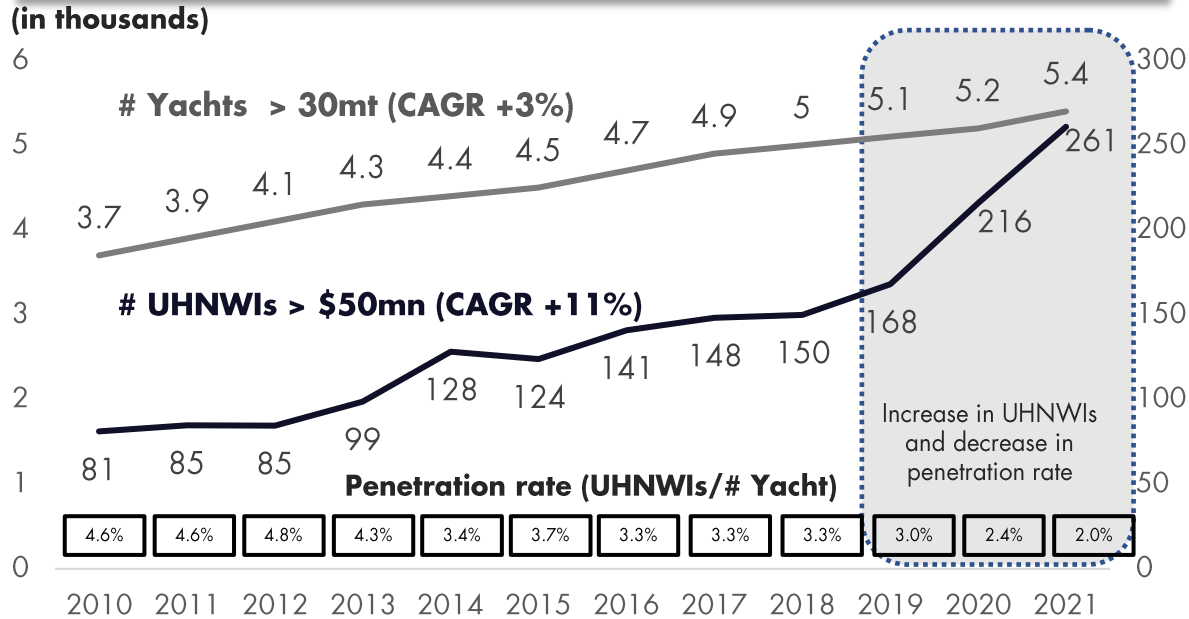
Growing and Unpenetrated Customer Base

Strong opportunity due to an unpenetrated customer base, deriving from an exponential increase in the global number of UHNWIs in the past three years.

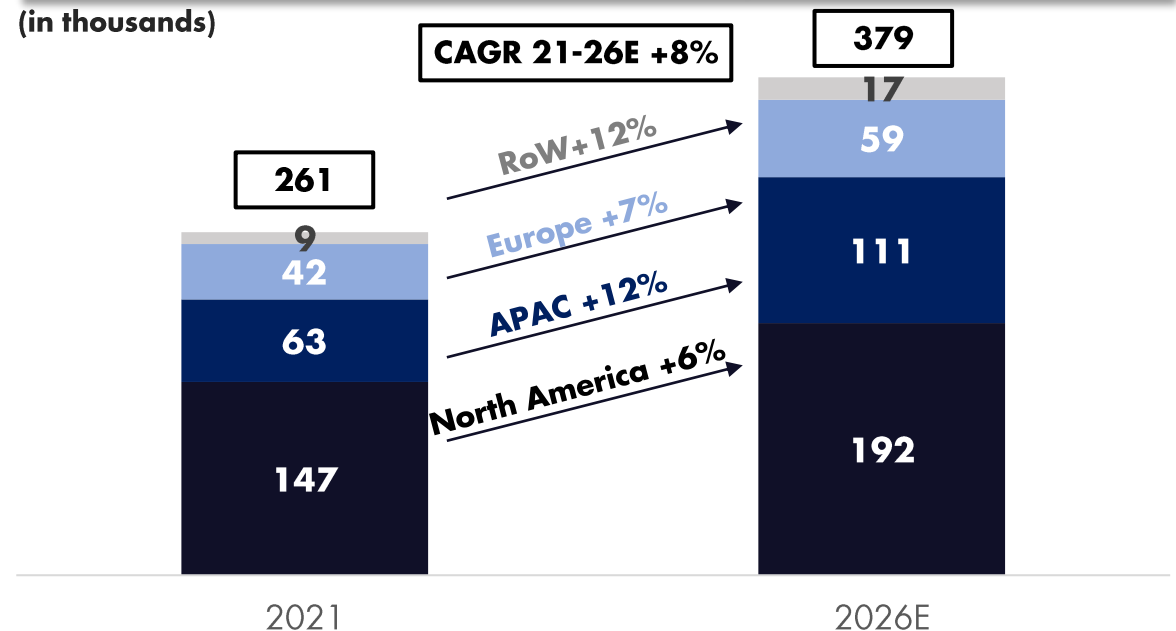
MAIN DRIVERS

- Superyachts above 30mt grew +3% from 2010 to 2021, whereas UHNWIs with **net worth above \$50mn** grew at 11% CAGR, leading to a decline in the penetration rate (c. 2%).
- UHNWIs are expected to increase at a CAGR of **8%** from 2021 to 2026E (+118k).
- The growth is largely driven by North America (6% CAGR, +45k) and APAC (12% CAGR, +48k).

GLOBAL GROWTH OF UHNWIs VS # OF YACHTS > 30mt



UHNWI GROWTH BY GEOGRAPHY / 2021 – 2026E



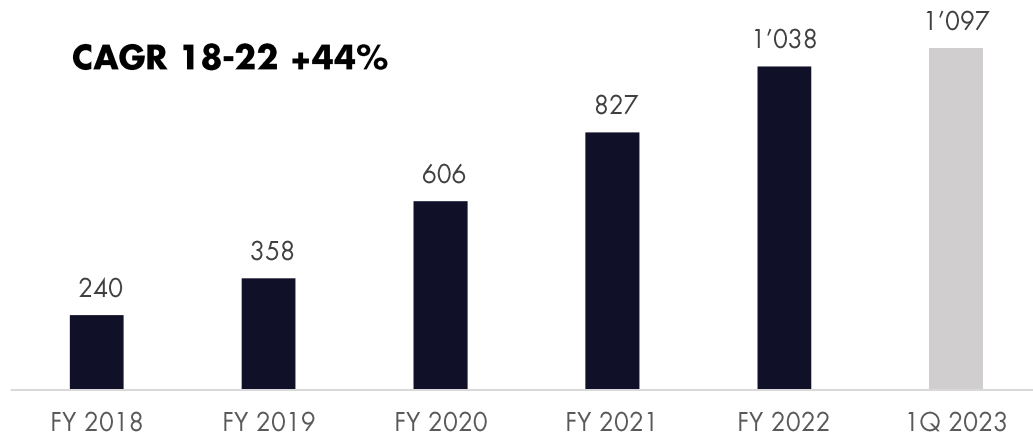
Quality & Visibility of Order Book

The Italian Sea Group boasts an Order Book in excess of **one billion Euros**, with a **surge in orders** from **North America**, the **Middle East** and **Asia**.

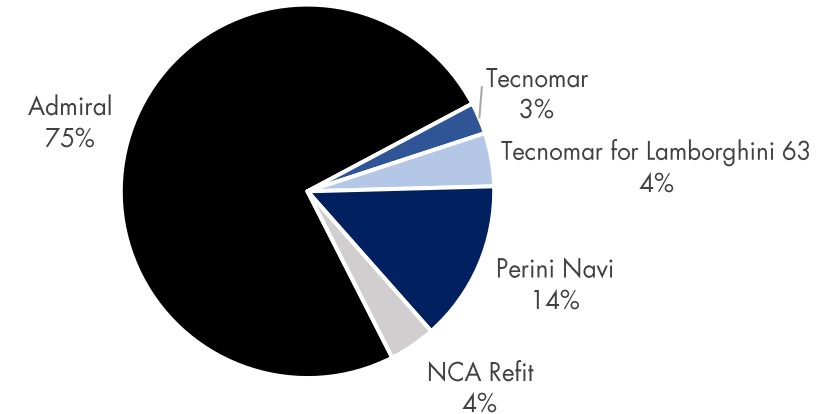
ORDER BOOK EVOLUTION

(Eu mn)

CAGR 18-22 +44%

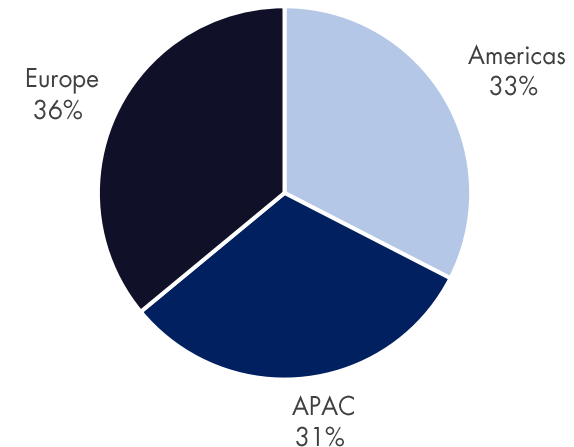


ORDER BOOK BREAKDOWN



ORDER BOOK COMPOSITION

- Growth in demand from **Americas** and **APAC region** (from a total of 37% in FY 2020 to 64% in 1Q 2023).
- Growth in the **Order Book** with visibility up to **2027**.



Strategy and Strategic Outlook

STRATEGY



Market Positioning: Mega & Giga Yachts



Brand Awareness: Excellence in Quality & Design



Shipbuilding & Refit: Synergies & Production Capacity



Perini Navi: Relaunch & Synergies



Sustainability: Long Term Value Creation for All Stakeholders



Employees & Management: Training & Incentives

STRATEGIC OUTLOOK 2023 - 2024



Revenues

Eu 350 – 365mn in 2023

Eu 400 – 420mn in 2024



EBITDA
Margin

16 – 16.5% in 2023

17 – 17.5% in 2024



Dividend
Policy*

Distribution of **40-60%** of Net Profit
as yearly dividend



Financial
Leverage*

Neutral level of leverage
subject to a cap of **1.5x** LTM EBITDA

**Subject to temporary impacts from M&A and Capex strategy*

Internalisation of Key Supply Chain Activities

TISG internalises specific phases of the production cycle which require impeccable craftsmanship, in order to maintain control on the quality, the timing, and the costs of these activities in support of marginality and customer satisfaction.

METAL CARPENTRY



UPHOLSTERY



WOODWORKS

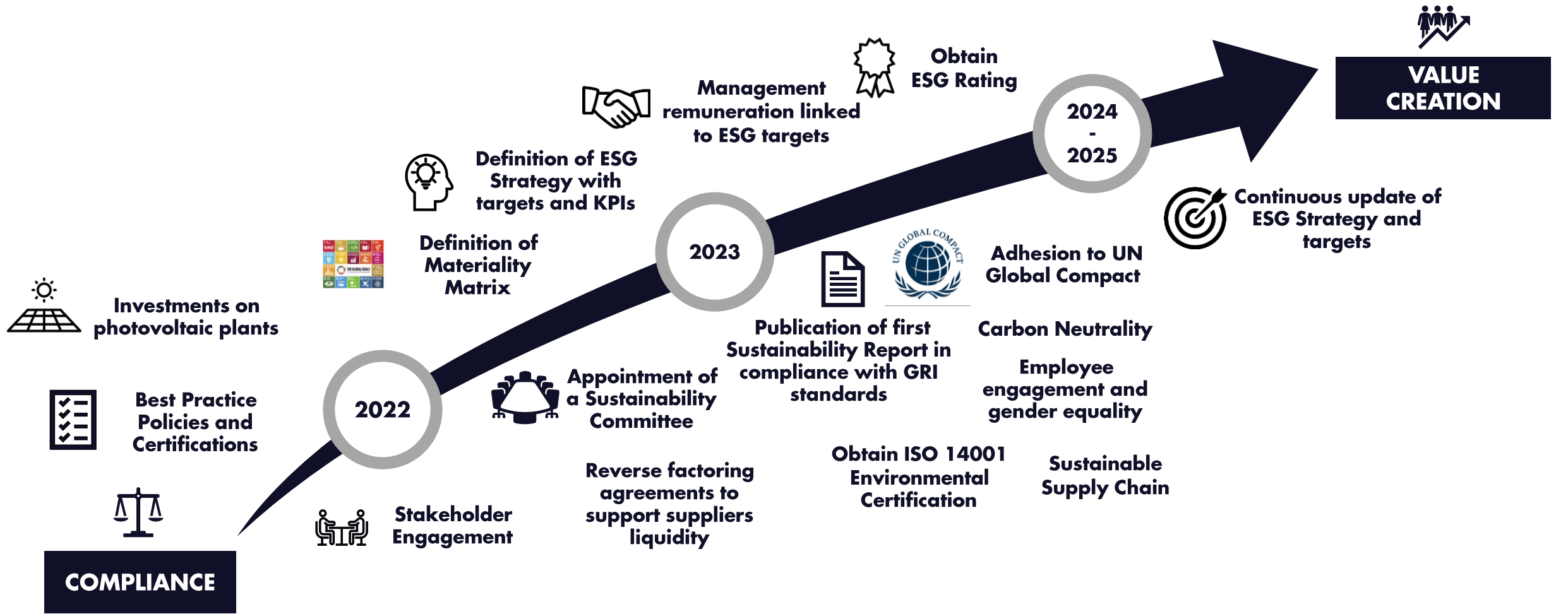


STEELWORKS



ESG Roadmap

TISG has a clear roadmap to drive Sustainability with the objectives of creating long-term value for all Stakeholders and establishing itself as a benchmark for the shipbuilding sector.





SUMMARY OF RESULTS

Executive Summary



1Q 2023 Results

- ✦ **Revenues** for **Eu 85mn, +23%** vs 1Q 2022
- ✦ **EBITDA** for **Eu 13.8mn, +35%** vs 1Q 2022, with an EBITDA Margin of **16.2%**
- ✦ **Order Book (Shipbuilding and Refit)** for **Eu 1'097mn**, with **33** yachts under construction

Resolutions of the Annual General Meeting – 27 April 2023

- ✦ Renewal of the **Board of Directors** and **Board of Statutory Auditors**
- ✦ Approval of the **Stock Option Plan** and **Buyback Plan**
- ✦ Approval of the distribution of a dividend of **Eu 0.272** per share

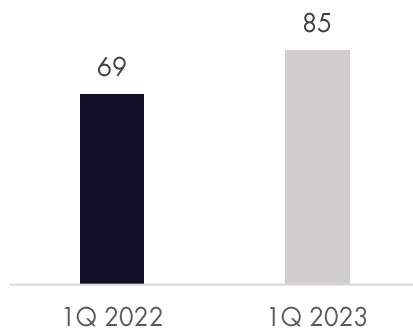
Strategic Outlook 2023 – 2024

- ✦ **Revenues** for **Eu 350 – 365mn** in **2023** / **Eu 400 – 420mn** in **2024**
- ✦ **EBITDA Margin** between **16 – 16.5%** in **2023** / **17 – 17.5%** in **2024**

Snapshot of Key Results

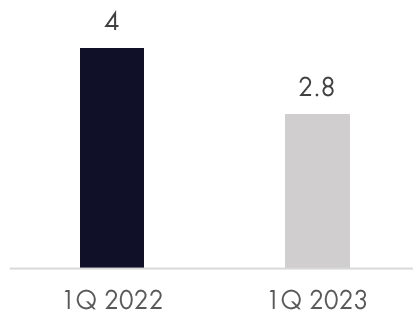
Revenues 1Q 2023

Eu 85mn
(+23% vs 1Q 2022)



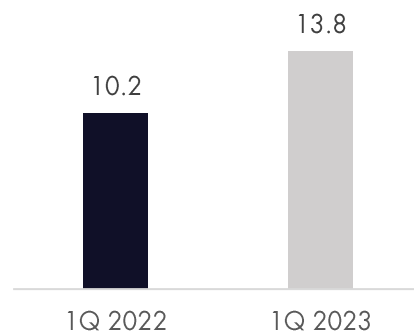
Investments 1Q 2023

Eu 2.8mn



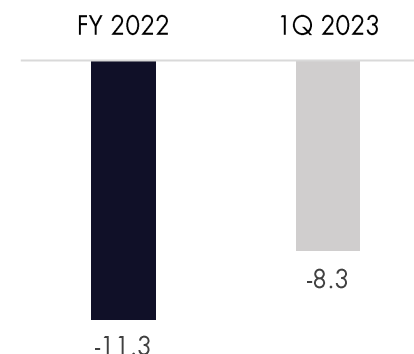
EBITDA 1Q 2023

Eu 13.8mn
Margin: 16.2%
(+35% vs 1Q 2022)



Net Debt 1Q 2023

Eu -8.3mn



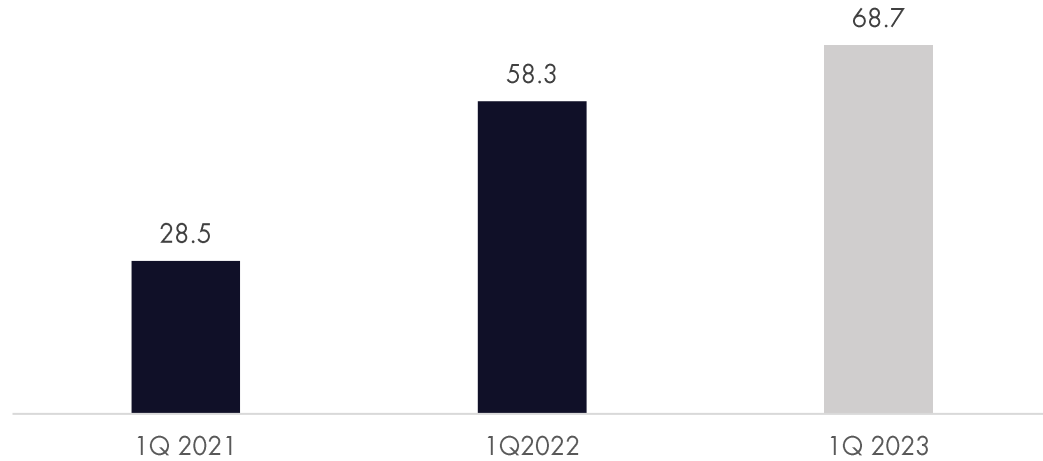
Comments

- **+23%** increase in **Revenues** due to the regular progress of the Shipbuilding and Refit activities, with an increase in order intake.
- Increase in **marginality** over time is mainly attributable to ever-improving cost management and budget control, internalisation of key supply chain activities, and an optimal mix between the Shipbuilding and Refit divisions.
- **Investments** for the period are mainly related to the completion of the «TISG 4.0» and «TISG 4.1» investment plans, and the progress of the works in La Spezia («TISG 4.2»).
- **Net Debt** for **Eu -8.3mn** is improving from a Net Debt of Eu -11.3mn recorded on 31 December 2022.

Shipbuilding & Refit – Revenues

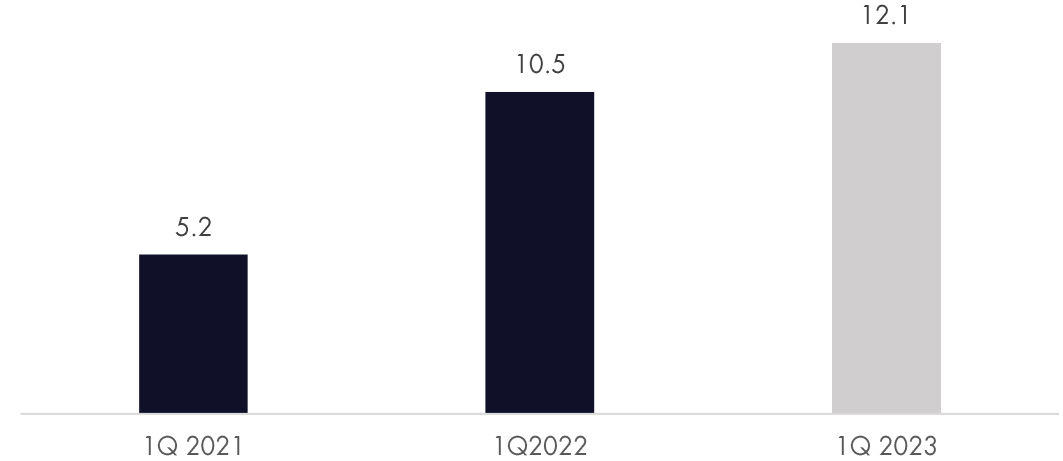
SHIPBUILDING REVENUE EVOLUTION / 1Q 2021 – 1Q 2023

(Eu mn)

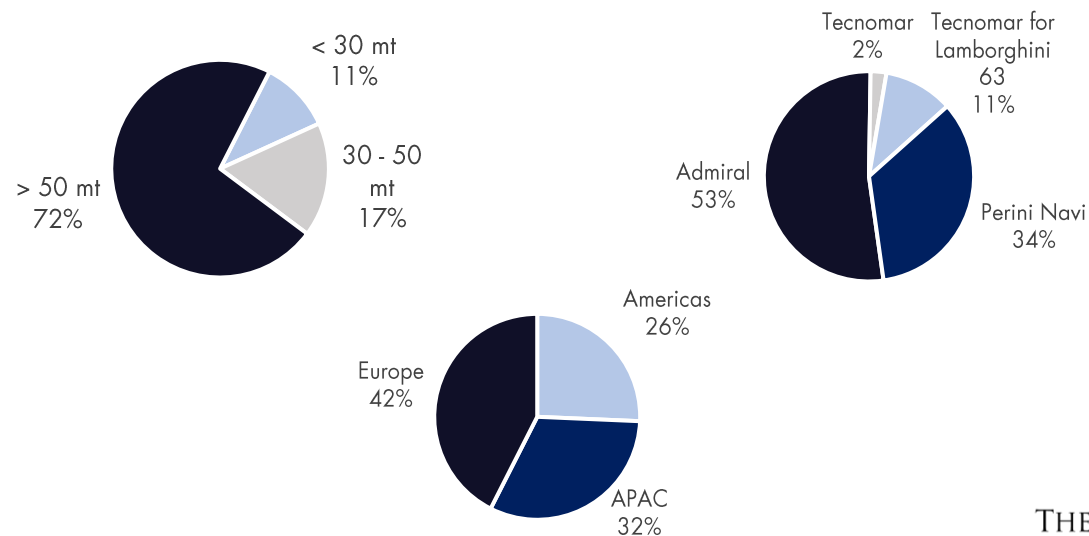


REFIT REVENUE EVOLUTION / 1Q 2021 – 1Q 2023

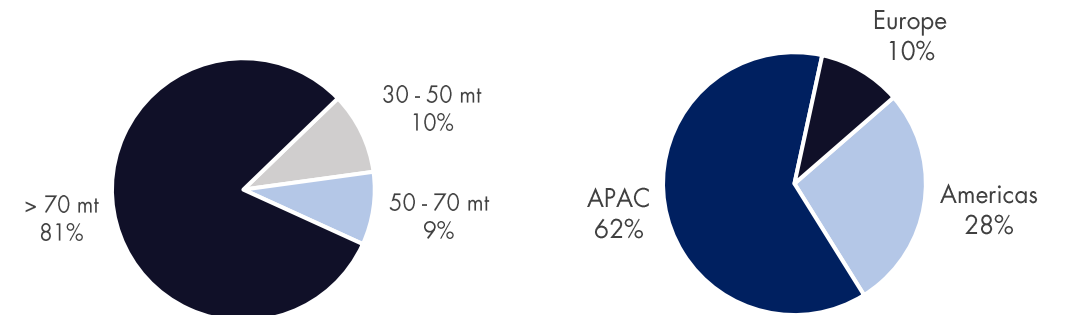
(Eu mn)



SHIPBUILDING REVENUES BY LOA, BRAND, AND GEOGRAPHY



REFIT REVENUES BY LOA AND GEOGRAPHY



Q&A

THE ITALIAN SEA GROUP

PICCHIOTTI
SINCE 1875

CELI
1920

ADMIRAL

PERINI NAVI

TECNOMAR

NCA REFIT

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THE ITALIAN SEA GROUP