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Oggetto : The Board of Directors Approves the  
Consolidated Half-Year Financial Report as  
of June 30th 2023

*Testo del comunicato*

Vedi allegato.

# THE ITALIAN SEA GROUP

## PRESS RELEASE

**THE ITALIAN SEA GROUP S.P.A.**

**THE BOARD OF DIRECTORS APPROVES THE  
CONSOLIDATED HALF-YEAR FINANCIAL REPORT  
AS OF 30<sup>TH</sup> JUNE 2023**

*Strong increase in Net Result to +78%*

*Strong growth in Total Revenues (+24%) and EBITDA (+37%)*

*Order Book to 1.24 billion Euros*

*Guidance 2023 confirmed in the high-end of the value range*

*2024 Strategic Outlook confirmed*

Consolidated results as of 30<sup>th</sup> June 2023:

- **Total Revenues: EUR 165.9 million, +24%** versus EUR 133.6 million in the first half of 2022;
- **EBITDA: EUR 27.2 million, +37%** versus EUR 19.9 million as of 30<sup>th</sup> June 2022, with a margin on Revenues equal to **16.4%** (versus 14.9% in the first half of 2022);
- **EBIT: EUR 21.7 million, +42%** versus EUR 15.2 million in 2022, with a margin on Revenues of 13.1% (versus 11.4% in the first half of 2022);
- **Net Result: EUR 13.6 million, +78%** versus EUR 7.6 million in the first half of 2022;
- **Backlog: Gross Backlog for EUR 1,241.9 million, +20%** versus 31<sup>st</sup> December 2022, and **Net Backlog for EUR 664.4 million, +7%** versus 31<sup>st</sup> December 2022;
- **Net Debt for EUR 19.2 million** with respect to a Net Debt of EUR 11.3 million as of 31<sup>st</sup> December 2022;
- **Investments: EUR 6.1 million** as of 30<sup>th</sup> June 2023;
- **2023 Guidance confirmed, positioning in the high end of the value range;**
- **2024 Strategic Outlook confirmed.**

## THE ITALIAN SEA GROUP

Marina di Carrara, 7<sup>th</sup> September 2023 – **The Italian Sea Group S.p.A.** (“**TISG**” or the “**Company**”), global operator in luxury yachting with the brands Picchiotti, Admiral, Perini Navi, Tecnomar, NCA Refit, and Celi 1920, announces that the Board of Director, during today’s meeting, has approved the Consolidated Half-Year Report as of 30<sup>th</sup> June 2023.

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

*“Once again, the results achieved in the first half of 2023 exceed our expectations as well as those of the market, that saw an increase in Revenues of 24% and an improvement of 37% in marginality. As well as the EBITDA Margin which is now equal to 16.4%, a result that is in the high end of the value range, which we previously announced to the market as such at the beginning of the year.*

*The development of the order book, which continues to grow thanks to our high industry positioning and a diversified and complete offering, grants a strong business visibility and leads us towards even more ambitious and challenging objectives, both from a commercial development perspective and in terms of financial results.*

*The strength of our brands and the growing demand for our products translate into a further phase of significant development. For this reason, with extreme confidence, we not only confirm 2023’s Guidance, which is positioned in the high value range, but we also confirm the Strategic Outlook for 2024.”*

# THE ITALIAN SEA GROUP

## ANALYSIS OF TISG'S ECONOMIC AND FINANCIAL MANAGEMENT

### CONSOLIDATED REVENUES

**Consolidated Revenues** in the first half of 2023 amount to **EUR 165.9 million**, a **24%** increase versus EUR 133.6 million recorded in the first half of 2022.

**Operating Revenues**, equal to **EUR 162.5 million** (+20% versus the first half of 2022), are divided as such:

- **Shipbuilding Revenues** amount to **EUR 139.4 million** (+24% versus the first half of 2022). This result relates to the regular progress of the existing projects, and to the signing of new sale contracts, in particular concerning large yachts.
- **Refit Revenues** amount to **EUR 23.0 million** (in line with the first half of 2022). It is relevant to note that Refit revenues are strictly linked to the strategic planning of maintenance contracts; for this reason, an acceleration in this division's revenues is expected in the second half of the year.

### Operating Revenues by Brand

<i>in thousands of EUR</i>	Operating Revenues by Brand	
	As of 30 June 2022	As of 30 June 2023
Admiral	66,887	81,638
Tecnomar	7,193	3,345
Tecnomar for Lamborghini 63	22,648	14,147
Perini Navi	13,241	39,518
NCA Refit	23,137	23,031
Other	2,171	823
<b>Total Operating Revenues</b>	<b>135,276</b>	<b>162,502</b>

### Operating Revenues by Geography

Operating Revenues by Geography – Shipbuilding		
<i>in thousands of EUR</i>	As of 30 June 2022	As of 30 June 2023
Americas	16,442	32,124
APAC	36,836	39,204
Europe	58,861	68,143
<b>Total Operating Revenues – Shipbuilding</b>	<b>112,139</b>	<b>139,471</b>

## THE ITALIAN SEA GROUP

Operating Revenues by Geography – Refit		
<i>in thousands of EUR</i>	As of 30 June 2022	As of 30 June 2023
Americas	3,858	7,365
APAC	12,213	13,346
Europe	7,066	2,320
<b>Total Operating Revenues – Refit</b>	<b>23,137</b>	<b>23,031</b>

### BACKLOG

The total value of the Order Book – that is, the gross value of existing contract related to new yachts and Refit projects not yet delivered to the client – as of 30<sup>th</sup> June 2023 (Shipbuilding and Refit) amounts to **EUR 1,241.9 million**.

The total value of existing contracts for yacht not yet delivered to the clients, net of revenues already recorded in the income statement (**Net Backlog**) as of 30<sup>th</sup> June 2023 (Shipbuilding and Refit) is equal to **EUR 664.4 million**.

Currently, there are **35 orders in projects: 22 mega and giga yachts and 13 Tecnomar for Lamborghini 63**, with deliveries scheduled until 2027.

### CONSOLIDATED EBITDA

**EBITDA** is equal to **EUR 27.2 million**, with an increase of **37%** versus EUR 19.9 million as of 30<sup>th</sup> June 2022, with an **EBITDA Margin** equal to **16.4%** versus 14.9% in the previous year.

The increase of marginality through the years can be attributable to: (i) Strong attention to operating cost management; (ii) Growing efficiency of production processes; (iii) Benefits coming from investments in production capacity, with advantageous synergies between Shipbuilding and Refit; (iv) Increase in product prices, due to strengthening brand awareness; and (v) Economies of scale.

## THE ITALIAN SEA GROUP

### CONSOLIDATED EBIT

**EBIT** is equal to **EUR 21.7 million**, growing by **42%** versus EUR 15.2 million recorded in the same period of the previous year, with a **margin on Revenues of 13.09%** (versus 11.4% in the first half of 2022).

### NET RESULT OF THE GROUP

**Net Result of the Group** reached **EUR 13.6 million**, **+78%** versus EUR 7.6 million in the first half of 2022.

### INVESTMENTS

Throughout the first half of 2023, TISG recorded **Investments** for **EUR 6.1 million**, related to the completion of investment plans “**TISG 4.0**” and “**TISG 4.1**”, the investments in the La Spezia shipyard (“**TISG 4.2**”), the expansion of commercial offices in the Marina di Carrara Headquarters, and the improvement of facilities for **Celi S.r.l.**, prestigious woodworking company in Terni, acquired last April.

### NET DEBT

Net Debt, equal to **EUR 19.2 million** as of 30<sup>th</sup> June 2023, versus a Net Debt for EUR 11.3 million at 31<sup>st</sup> December 2022, reflects:

- i) Cash out of **EUR 14.4 million** for the payment of dividends;
- ii) Investments carried out in the first half of 2023 for **EUR 6.1 million**, concerning the completion of “**TISG 4.0**” and “**TISG 4.1**” investment plans, “**TISG 4.2**” investments which refer to the La Spezia shipyard, and some works regarding the expansion of commercial offices and Celi S.r.l.’s headquarters.

According to IAS/IFRS accounting principles, Net Financial Position includes the current values of fees due to Port Authorities for the state concessions of the shipyards in Marina di Carrara and La Spezia, which as of 30<sup>th</sup> June 2023 amount to EUR 6 million, which will be repaid throughout the duration of the related concessions.

## THE ITALIAN SEA GROUP

The calculation of Net Debt includes:

- (i) The disposal of an office building in the Viareggio production site, which generated a net cash-in of EUR 10.6 million;
- (ii) The residual value of the tax payables on behalf of 100% subsidiary Celi S.r.l., for EUR c. 2 million, which are to be paid in instalments ending in 2026.

In the first half of 2023, cash inflows from operating activities amount to **EUR c. 4 million**.

### STRATEGIC OUTLOOK 2023 – 2024

In light of results for the first half of 2023, the Company reaffirms 2023 Guidance, positioning in the high end of the value range, with **Revenues** for **EUR 365 million** and **EBITDA Margin** of **16.5%**.

Furthermore, The Italian Sea Group confirms its **Strategic Outlook** for **2024**, already announced to the market at the beginning of the year, which implies **Revenues** between **EUR 400 and 420 million** and an **EBITDA Margin** between **17 and 17.5%**.

### RELEVANT EVENTS AFTER 30<sup>TH</sup> JUNE 2023

*Celi 1920: progress of investments and recruitment plan*

Refurbishing and expansion works continue in the **Celi S.r.l.** headquarters, through the purchase of two additional production sites for a total of three facilities.

Such improvements aim to double production capacity, with the goal of supporting TISG's demand and seize the best opportunities in the extra-sector with high-end positioning.

Furthermore, an important recruitment plan has been approved with the objective of professionally training employees, especially in the younger demographics.

All investments relating to doubling Celi's production capacity are progressing with masterful timing and will be completed by the end of the month. An event for the opening and start-up of the new facilities will be held in the second half of October.

## THE ITALIAN SEA GROUP

*ESG: commitment to a more sustainable business*

In June 2023, TISG obtained an ESG rating in the high-performance range by Cerved Rating Agency (“**Cerved**”), corresponding to a high ability to manage environmental, social, and corporate governance topics. The analysis carried out by Cerved highlighted a strong ability to manage risk factors and ESG opportunities, positioning above industry average.

In particular, risk management and goal programming were deemed appropriately supervised through a high level of integration of sustainable issues in the corporate governance model.

In July 2023, The Italian Sea Group took another step towards decarbonisation by **neutralising Scope 1 and Scope 2 – market based CO<sub>2</sub> emissions generated throughout 2022.**

The neutralisation of CO<sub>2</sub> emissions occurred through the cancellation of carbon credits generated by the hydroelectric energy project **VCS 535 – Akocak Hydroelectric Power Plant** in Turkey.

The carbon offset project that The Italian Sea Group supports is part of the Verra’s VCS Program (Verified Carbon Standard Program) and contributes to four Sustainable Development Goals: n. 7) – Affordable and clean energy; n. 8) – Decent work and economic growth; n. 13) – Climate action; n. 15) – Life on land.

The completion of photovoltaic plants in the Marina di Carrara and La Spezia shipyards is allowing for a significant reduction of energy consumption. Additionally, the Company started the process to obtain ISO 14001 certification for Environmental Management Systems.



## THE ITALIAN SEA GROUP

### BUSINESS OUTLOOK

*Industry leader in the reference segment*

**The Italian Sea Group continues on its path of establishing** its market leadership in the global luxury yachting industry, especially concerning the segment of yachts over 50 metres, the Company's core business.

The success of **75-metre mega-yacht Admiral Kenshō**, which was awarded “**Motor-yacht of the Year**” at the prestigious **2023 World Superyacht Awards** shows the strength and the acknowledgement that TISG's brand positioning has in the global yachting industry.

According to sector statistics, the **6 sales** for yachts over 50 metres announced by TISG in 2023 represent over **30%** of the total sales announced throughout the year by **all European players operating in the reference segment**.

This demonstrates the Company's strong recognition in the international yachting sector, thanks to an expanding and resilient client base and a backlog which is very balanced across geographies.

TISG's commercial efforts within the main reference markets, also thanks to the collaboration with leading sector brokers, allowed the Company's brands to express their potentials even in markets in which there was ample room for growth, such as the Americas.

At the end of September, The Italian Sea Group will be present at the 32<sup>nd</sup> edition of the **Monaco Yacht Show**, the most renown international boat show dedicated to superyachts and mega yachts.

TISG will show, in a worldwide preview, 6 new yachts, including a 55-metre Admiral superyacht with interiors by Giorgio Armani, once again confirming the solidity and success of the partnership with the renown Italian brand.

The Company will continue to invest in revolutionary aesthetic and technological solutions to offer new product lines which will dictate the stylistic elements of the future of luxury yachting.

## THE ITALIAN SEA GROUP

### **DECLARATION *EX ART. 154-BIS*, SECOND PARAGRAH, LEGISLATIVE DECREE 24 FEBRUARY 1998, N. 58**

The Management in charge of preparing the corporate Accounting Books, Mr. Marco Carniani, declares, pursuant to art. 154-*bis*, paragraph 2, of Legislative Decree 24 February 1998, n. 58, that the information contained in this press release conforms with corporate accounting documents, records, and books.

This 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 nature, contain an element of risk and uncertainty, as they rely on the occurring of future events and developments.

The consolidated financial statements as of 30<sup>th</sup> June 2023 is currently undergoing legal audit, activity which is currently yet to be completed.

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

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#### ***Conference call in Webcast***

The financial results for the first half of 2023 will be presented on Thursday, 7<sup>th</sup> September at 4:30PM CEST during a Conference Call held by the Company's Top Management.

The Conference Call will be broadcasted through the following link:

<https://b1c-co-uk.zoom.us/meeting/register/tZUvd-CorT4uH9ewgr343KiaDelZPQZBqlpE#/registration>.

The presentation by the Top Management will be available from the beginning of the conference call at the website [investor.theitalianseagroup.com](https://investor.theitalianseagroup.com) in the "Financial Documents" section.

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The Half Year Financial Report as of 30<sup>th</sup> June 2023 will be made available to the public, at the Company's registered office, at Borsa Italiana, as well as on the [investor.theitalianseagroup.com](https://investor.theitalianseagroup.com) website within the terms of the law.

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## THE ITALIAN SEA GROUP

Please find attached the Reclassified Consolidated Income Statement, the Reclassified Consolidated Balance Sheet, and the Consolidated Cash-Flow Statement.

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

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### **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 2023 Global Order Book, the global ranking by Boat International.

### **For more information:**

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# THE ITALIAN SEA GROUP

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>in thousands of Euros</i>	30/06/2023	30/06/2022
Operating Revenues	162,502	135,278
Other revenues and income	7,079	794
Commissions	(3,677)	(2,454)
<b>Total Revenues</b>	<b>165,903</b>	<b>133,618</b>
Costs for raw materials	(32,134)	(35,597)
Cost for outsourced work	(67,851)	(53,780)
Technical Services and consultancy	(9,754)	(3,895)
Other costs for services	(6,843)	(5,201)
Personnel costs	(18,691)	(14,272)
Other operating costs	(3,372)	(965)
<b>EBITDA</b>	<b>27,258</b>	<b>19,908</b>
<i>Percentage on total revenues</i>	<i>16.4%</i>	<i>14.9%</i>
Amortisation, depreciation, write-downs	(5,537)	(4,660)
<b>EBIT</b>	<b>21,721</b>	<b>15,247</b>
<i>Percentage on total revenues</i>	<i>13.09%</i>	<i>11.41%</i>
Net financial charges	(2,179)	(1,224)
Income from extraordinary charges	(404)	(3,361)
<b>EBT</b>	<b>19,138</b>	<b>10,663</b>
Taxes for the period	(5,544)	(3,044)
<b>CONSOLIDATED PROFIT</b>	<b>13,593</b>	<b>7,618</b>
<i>Percentage on total revenues</i>	<i>8.2%</i>	<i>5.7%</i>

## THE ITALIAN SEA GROUP

# CONSOLIDATED RECLASSIFIED STATEMENT OF FINANCIAL POSITION

<i>in thousands of Euros</i>	30/06/2023	31/12/2022
<b>ASSETS</b>		
Intangible assets	35,818	35,715
Property, plant, and equipment	125,420	135,216
Equity investments	43	195
Net deferred tax assets and liabilities	(362)	(894)
Other non-current assets and liabilities	4,672	6,944
Provisions for non-current risks and charges	(3,870)	(3,431)
Provision for employee benefits	(1,047)	(1,251)
<b>Net fixed capital</b>	<b>160,674</b>	<b>172,494</b>
Inventories and payments on account	8,660	3,573
Contract work in progress and advances from customers	26,097	32,667
Trade receivables	35,040	21,469
Trade payables	(73,463)	(78,770)
Other current assets and liabilities	(29,238)	(31,061)
<b>Net working capital</b>	<b>(32,904)</b>	<b>(52,122)</b>
<b>Total ASSETS - NIC</b>	<b>127,770</b>	<b>120,372</b>
<b>SOURCES</b>		
Share capital	(26,5002)	(26,500)
Share premium reserve	(45,431)	(45,431)
Reserves and other retained earnings	(23,051)	(13,023)
Currency translation reserve	97	0
Consolidated profit (loss)	(13,593)	(24,046)
<b>Shareholders' Equity</b>	<b>(108,478)</b>	<b>(109,001)</b>
Net financial indebtedness	(19,292)	(11,371)
<b>Total SOURCES</b>	<b>(127,770)</b>	<b>(120,372)</b>

# THE ITALIAN SEA GROUP

## CONSOLIDATED CASH FLOW STATEMENT

<i>In thousands of Euros</i>	30/06/2023	31/12/2022
<b>INCOME MANAGEMENT ACTIVITIES</b>		
Consolidated profit before taxes	19,138	29,415
Net interest	2,179	3,781
Provision for charges and risks	759	1,053
Provision for severance indemnity	748	1,377
Adjustments for:		
Amortisation, depreciation, and write-downs of fixed assets	5,537	9,889
Capital gains/(losses)		
Other provisions and write-downs (revaluations)	100	300
<b>Changes in assets and liabilities:</b>		
Receivables from customers	(9,319)	(11,533)
Inventories and contract work in progress	1,484	(7,731)
Other management activities	(4,657)	7,221
Payables to suppliers	(5,307)	21,897
Other operating payables	(1,361)	19,706
Severance indemnity	(952)	(886)
Provisions for risks and charges	(852)	(972)
Taxes paid	(5,544)	(5,368)
Interest paid	(2,179)	(3,781)
<b>Cash flow from income management activities</b>	<b>(227)</b>	<b>64,368</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of tangible assets	4,523	(19,353)
Disposal of tangible assets	0	0
Purchase of intangible assets	(367)	(483)
Purchase of equity investments	0	(152)
Receivable from CELI	0	
Disbursement for the purchase of the Perini Navi business complex	0	(80,000)
Others	4,063	(3,804)
<b>Cash flow from investing activities</b>	<b>8,219</b>	<b>(103,792)</b>
<b>FINANCING ACTIVITIES</b>		
Capital contributions		
Payment of Share Premium Reserve		
Change in reserves	0	200
Payment of IPO Charges		
Payment of dividends	(14,364)	(9,716)
Raising M/L term loans		72,500
Repayment of M/L term loans	(8,325)	(23,484)
Raising shareholders' loans		(3,161)
Repayment of loans to others	(1,289)	(1,212)
Net change in other sources of short-term financing		
<b>Cash flow from financing activities</b>	<b>(23,978)</b>	<b>35,127</b>
<b>TOTAL CASH FLOWS FOR THE PERIOD</b>	<b>(15,986)</b>	<b>(4,297)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>81,317</b>	<b>85,615</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>65,332</b>	<b>81,317</b>

Fine Comunicato n.2378-34

Numero di Pagine: 15